

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

PARIS, THURSDAY, MARCH 3, 1988

Agents: 6.00 Dn. Iran, 115 Pct. Oman, 1.000 Pct. ...
Algeria 25.5 Pct. ...
Brazil 0.800 Dn. Italy 1.000 Lm. ...
Canada C\$1.25 ...
Czech 0.1000 ...
Denmark 1.100 Dn. ...
Egypt 0.750 ...
France 0.500 ...
Germany 2.700 ...
Greece 1.300 ...

The Global Newspaper Edited and Published in Paris. Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome, Tokyo.

No. 32,664 09/88

ESTABLISHED 1887



Ronald Reagan took his seat at the NATO summit as Margaret Thatcher spoke to U.S. delegates. At right, President Francois Mitterrand and Prime Minister Jacques Chirac and Chancellor Helmut Kohl at the opening ceremony.

Soviet Cut Is Sought By NATO

Alliance Will Ask Big Reduction in Nonnuclear Arms

By Joseph Fitchett
International Herald Tribune
BRUSSELS — Leaders of the 16 North Atlantic Treaty Organization nations agreed Wednesday that they will demand drastic cuts in Soviet forces in Europe in new conventional arms talks.
In a statement issued at a summit meeting, they said they would seek to eliminate the Warsaw Pact's capability for "launching surprise attack and for initiating large-scale offensive action."
Spelling out Western objectives in conventional disarmament, the NATO allies are accused in the U.S. Congress of not paying their fair share. Page 6.

statement said that the Soviet Union would have to scrap "tens of thousands" of tanks and artillery weapons and accept much deeper, "highly asymmetrical" cuts to reduce its advantage over NATO ground troops.
It also warned against any attempt by the Soviet Union to use conventional arms talks as a way to remove most U.S. nuclear weapons from Western Europe.
President Ronald Reagan said that NATO was trying to eliminate Soviet military superiority, which he described as "the greatest threat to peace."
The text outlined the West's approach to the issue of reducing the military advantage in Europe that the Soviet Union has held since World War II.
The Soviet leader, Mikhail S. Gorbachev, has offered to negotiate on this issue but, until this week's summit meeting, Western nations have been unable to agree on a joint response.
France, which has been the most reluctant to include its forces in negotiations, apparently dropped its final objections last week.
The NATO summit meeting, which started Wednesday, was the third since Mr. Reagan took office in 1981. It will be the last for both Mr. Reagan and Lord Carrington, the alliance secretary-general who retires this summer.
In 1982, NATO leaders agreed to press ahead with plans to deploy intermediate-range nuclear forces.
In 1985, Mr. Reagan met NATO leaders after his first summit meeting with Mr. Gorbachev, which marked a thaw in U.S.-Soviet relations.
Participants said that the only surprise Wednesday came from Prime Minister Margaret Thatcher of Britain, who gave a hard-line speech in which she said that the Soviet Union had continued to modernize its nuclear and conventional forces despite December's Intermediate Nuclear Forces Treaty.
See NATO, Page 6

Though Spurned by Palestinians, Shultz Will Resume Talks

By David K. Shipler
New York Times Service
BRUSSELS — Secretary of State George P. Shultz received approval Wednesday from President Ronald Reagan to resume his peace mission in the Middle East for a few more days, beginning Thursday.
"All countries in the region believe it is useful for the United States to remain engaged in this process," The Associated Press quoted Mr. Reagan as saying in Brussels. "We will spare no effort in our search for a comprehensive settlement." Mr. Shultz is expected to stop in Israel, Jordan and Egypt before returning to Washington.
The effort is handicapped, however, by Mr. Shultz's inability to meet with Palestinian leaders.
The Palestinians are the Arabs whose fate is most at stake in these talks, which center on the future of the Israeli-occupied West Bank and Gaza Strip. About 1.4 million Palestinians live in those territories, and they have been the ones who have brought Mr. Shultz to the region by staging demonstrations, riots and strikes unprecedented in scope and duration. Since early December, at least 75 Palestinians have been killed in clashes with Israeli troops.
Furthermore, the local Palestinians have managed this *intifada*, or uprising, as they call it, without help or guidance from the Arab states or the leadership of the Palestine Liberation Organization.
"For the first time since May 15, 1948," a senior Israeli defense official said in reference to the date of Israel's independence, "Palestinians who reside inside lead the struggle, much more than they have in wars of terrorism."
By the same token, those inside defer to the PLO leadership outside even when they disagree tactically, both because they are afraid of assassination by PLO operatives and because the PLO is the symbol of their nationalist aspirations.
This presents a crippling problem for Mr. Shultz, who is negotiating by policy and politics not to negotiate with the PLO but whom local Palestinians refused to meet when he invited them to do so last week in Jerusalem.
In turning down his invitation they were obeying orders from the PLO leadership in Tunis, which does not want its primacy undermined by a buildup in the stature of local Palestinians.
Although no mainstream Israeli politician endorses contacts with the PLO, some aides to Prime Minister Yitzhak Shamir worry that negotiations with King Hussein of Jordan are becoming irrelevant, because he appears to have little control over the Palestinians.
Mr. Shultz has tried to speak in conciliatory tones. On Friday, he said: "Palestinian participation is essential to success in the peace process. Palestinians must achieve control over political and economic decisions that affect their own lives."
Because of a long-standing agreement with Israel, however, the United States cannot negotiate with or recognize the PLO until it accepts Israel's right to exist and United Nations Security Council resolutions 242 and 338, linking Israeli withdrawal from occupied territories to the right of all states in the region to secure borders.

Kiosk

Moscow Eases Travel Curbs

MOSCOW (Reuters) — The Soviet Union is to ease formalities for travel abroad by businessmen, scientists, technicians, athletes and cultural figures, the official Tass news agency reported Wednesday.

Tass said the Communist Party Central Committee had ordered central and local bodies to review travel requests more quickly and said that paperwork would be reduced.

UN Appeal on PLO

UNITED NATIONS, New York (Reuters) — The General Assembly voted, 143-1, Wednesday to call on the United States to rescind its plan to shut down the Palestine Liberation Organization's UN mission.

Pat Robertson's record in the Korean War came under renewed attack. Page 3.

General News

Series That weakness was exposed in the recent border conflict with Laos, analysts in Bangkok suggest. Page 2.

Science

The next earthquake in the U.S. may hit the East Coast, experts believe. Page 7.

Dow Close

DM	1.6965
DM	1.7675
Yen	129.40
FF	5.7375

Polish Party Reassesses 1960s Anti-Semitism

By Jackson Diehl
Washington Post Service
WARSAW — Poland's Communist Party conceded Wednesday that an anti-Semitic campaign following student demonstrations in 1968 had "hurt many people" and "damaged the country's intellectual life. It said the party's leadership had acted "not always in time nor thoroughly enough" to counter the move by hard-liners.
The long statement, published as an article in the party newspaper Trybuna Ludu, was the centerpiece of an elaborately orchestrated initiative to review the crisis, which led to the emigration of almost all of Poland's remaining Jews and turned much of the intelligentsia against Communist rule.
Trybuna Ludu said that from 1968 to 1971 about 13,000 Polish Jews emigrated — a phenomenon, it said, that "damaged the international prestige of Poland." Other publications put the emigration at up to 20,000. Fewer than 5,000 Jews now live in Poland.
The re-evaluation is described by party officials as a major step by Poland toward embracing the policy of *glasnost*, or openness in public life, initiated by the Soviet leader, Mikhail S. Gorbachev.
The new official accounts, which are also appearing in several weekly newspapers as well as the party's ideological journal, blame party leaders for economic and political stagnation that underlay the eruption of widespread student protests 20 years ago this month. They condemn party conservatives for launching anti-Semitic attacks against protest organizers and stimulating a widespread purge of Jews from professional and party posts.
However, the articles stop short of naming the Communist leaders responsible for initiating or implementing the anti-Semitic campaign, nor do they rehabilitate students and intellectuals who were expelled from the universities or jailed.
The Trybuna Ludu article also...
See POLAND, Page 6

Analysts Say 'Glasnost' Underlies Ethnic Revolt

By Craig R. Whitney
New York Times Service
WASHINGTON — Despite the challenge to Mikhail S. Gorbachev's authority posed by the current unrest among Soviet ethnic minorities, the consensus among U.S. government experts is that he and his policies of change have not yet been seriously endangered.
But some of the Americans say that the ethnic ferment is a direct consequence of Mr. Gorbachev's own calls for more openness in discussing the country's problems. If the rioting in Soviet Armenia and Azerbaijan grows worse, they say, his opponents in the Communist Party leadership could use it to slow the pace of change and weaken Mr. Gorbachev's position.
"Recent events in Armenia and Azerbaijan have raised questions in the community here about whether this might have repercussions for the stability of his leadership," a State Department expert said. "But until now the debate has been not over whether he's in real trouble but rather how fast he can continue to move the country where he wants it to go."
[A Soviet spokesman said Wednesday that there were deaths during rioting in Azerbaijan. Story, Page 6.]
Americans at the Central Intelligence Agency, the State Department, the National Security Council staff, the Pentagon and various other branches of the government have been trying to figure out just how Mr. Gorbachev is faring and what he is trying to do ever since he was named general secretary of the Soviet Communist Party in March 1985.
At first, many in the Reagan administration dismissed his efforts at domestic reform as illusory moves. Now most of them do not question whether he really wants reform — they wonder whether the collective leadership of which he is a part will continue to support it, and for how long.
The consensus within the U.S. government that Mr. Gorbachev intended far-reaching reforms, to save the Soviet system from fatal decline, began to emerge about the time of the summit meeting in Washington last December. Even then, the Americans agreed that Mr. Gorbachev's plans were tentative and speculated about how firm his authority was.
Earlier this year, Robert M. Gates, deputy director of the CIA, addressed the issue in a speech that was cleared by the White House and apparently reflects the government consensus.
"With the selection of Mikhail Gorbachev," he said, "the Politburo signaled its recognition that the Soviet Union was in deep trouble — especially economically and spiritually — trouble that they recognized would soon begin to have real effect on military power and their position in the world."
Mr. Gates went on: "Nearly every step Gorbachev seeks to take toward structural economic or political change is a struggle, and support in the Politburo for his initiative shifts constantly. He must rely on a long-term, largely nonviolent purge of party and bureaucracy and placement of his supporters if he is to remain in power and to...
See RIOTS, Page 6

Behind Iraqi Attacks, Concern Grows

By Patrick E. Tyler
Washington Post Service
DAMASCUS — Iraq's missile barrages against Iranian cities represent a significant escalation of the seven-year Gulf War at a time when there is growing desperation in Baghdad that the support of its Arab allies is flagging and that international attention is shifting to the Arab-Israeli dispute.
Following last month's first use by Iraq of long-range bombers and air-launched versions of Silkorm missiles designed to hit Iranian shipping targets in the southern reaches of the Gulf, the Iraqi leadership is clearly moving to push the war to a higher intensity.
[On Wednesday, Tehran Radio said that an Iraqi rocket had hit the Shiite Moslem holy city of Qom, 90 miles (150 kilometers) southwest of Tehran. Reuters reported from Nicosia. No casualties were reported in what was the first Iraqi rocket attack since the city.]
Just as important as the advance in weaponry and escalating Iraqi tactics is an apparent underlying strategy by Iraq to goad Iran into another full-scale battlefield confrontation this year.
"For the first time in our history, we want the Iranians to attack," an Iraqi official told a reporter during a visit to Baghdad last month.
The official explained that Iraq's confidence that it could repel a major offensive would demonstrate to Iraq's allies that Iran had no hope of breaching the country's defenses. Moreover, the world would be reminded, he said, that the war requires a major diplomatic effort to bring it to an end.
Western officials say that the easing of the "urgency" created by two years of Iranian offensives against Iraq's southern ports of Faw and Basra has taken the pressure off United Nations efforts.
These officials said that a U.S. plan to force a vote last month in the United Nations calling for an arms embargo against Iran has suffered further delay, which is another troubling sign to Baghdad that there remains substantial reluctance by a number of countries, led by the Soviet Union and China, to confront Iran with sanctions.
As a result, frustration has been running high in the Iraqi regime, where the realities of Iran's population advantage over Iraq suggest that a drawn-out war of attrition is too dangerous for the long-term survival of the government of President Saddam Hussein.
The consensus among Arab and Western diplomats in the region is that Iraq sees its strategic interests best served by an escalation...
See GULF, Page 6

In Japan, No U.S. Bargains

Despite Weak Dollar, Prices Still High and Sales Flat
By Susan Chira
New York Times Service
TOKYO — The weak dollar has helped to make American products much more competitive in many markets around the world. But, defying predictions, it has not yet brought about a significant increase in American sales in Japan.
Presumably, the dollar's 50 percent decline against the yen in the last three years should have allowed American companies to sharply cut their prices and gain market share in Japan. But while some prices have declined, few have fallen as far as the dollar. Consequently, many American products still cost much more in Japan than in the United States.
For example, an IBM personal computer, the PS/2 Model 30-021, sells for \$2,295 in the United States and 443,350 yen, or \$3,452, in Japan. A Black & Decker steam iron costs \$36 in the United States and \$99 in Japan. A pair of Levi jeans that cost \$32 in the United States, cost \$62 in Japan.
These prices may make it seem as if U.S. companies are trying to maximize profits instead of trying to enlarge their share of the Japanese market by slashing prices. Indeed, some executives of American subsidiaries in Japan chastise their colleagues for not reducing prices more than they have.
"My blunt opinion is that some companies don't try hard enough," said Shojiro Makino, president of Grace Japan, a subsidiary of W.R. Grace & Co., the U.S. chemical concern. "I really am sad, because they are missing an opportunity."
But executives of several U.S. companies here say there are other reasons why sales have not soared or their prices are not much lower:
• Many subsidiaries are not free to set their prices, and their executives say that their headquarters in the United States have been slow to allow them to cut prices in tandem with the dollar's fall.
• U.S. companies selling consumer products often cannot control the final prices in stores; that is up to Japanese distributors, who, preferring to make more money, may not pass along price cuts.
• In Japan, product quality and a close relationship with customers have traditionally played a bigger role than price in winning business.
• Many American companies manufacture their products in Japan and thus have not benefited from the weaker dollar.
• The products of such newly industrialized Asian countries as South Korea remain much less expensive than American goods.
These reasons help explain why imports of American products rose a modest 8.2 percent last year as measured in dollars.
"People thought that if the yen were a little bit higher, the face of the world would change," said John P. Stern, a senior representative in Tokyo of the United States Electronic Industry Japan, a trade association. "But of the 350 United States electronics companies out here, I know of only one that claims substantial extra business because...
See TRADE, Page 13

In New York, Instant Millionaires Seek Safety in Numbers

By Michael Winier
New York Times Service
NEW YORK — "Excuse me," said Anne Watkins (\$3 million lottery winner, 1983). "I have to go pick up the \$13 million man." Joe Moore (actually, \$13.7 million, 1985) had just arrived at the train station and was waiting for a ride to the Millionaire Circle Club. Ms. Watkins figured she would save him the cost of taking a cab.
The club meets once a month at the modest Long Island home of a former manicurist, Gussie DiBenedetto (\$5.7 million, 1984). It's a self-help group for New York's millionaire winners of Lotto, the state lottery. "We have to help one another," said Barbara Scott (\$2.8 million), an Avon sales representative. "We're all in the same boat, more or less."
"People win — they're not prepared," Mrs. DiBenedetto said. "They may get taken. Now they have a club to come to."
These may be the unsociest millionaires in America. Mrs. DiBenedetto put out her usual spread of egg salad, tuna, pastry and bagels. "You don't see any caviar around here," she said. "You know what I mean?"
"We're not the kind," her husband, Lou, said, "who go around saying, 'I'm a millionaire, I'm a millionaire.'" Eileen Tomasulo (\$5 million, 1985) is still a Democrat.
Who understands a millionaire's problems better than another millionaire? "It's very relaxing to be with people in the same exact situation," Mr. Tomasulo, a former accounts-payable coordinator, said. "I'm always conscious of talking to normal people and saying something that might sound horrible." Here you can talk about post-lottery depression syndrome and people sympathize.
Before the meeting, Mrs. DiBenedetto introduced members to the club's new accountant, Gregory Argila. "As a matter of fact, Greg," Mrs. DiBenedetto said, "you're going to meet a \$13 million man today." Mr. Argila smiled. He looked like a very happy accountant.
Friendships have been made at the club. Nancy Ceria (\$3.5 million) is godmother for the new grandchild of Curtis Sharp Jr. (\$5 million). And where else can a millionaire discuss a relative who is driving him crazy? Michael Naste (\$2.5 million) set up trusts for 14 nieces and nephews, and still some family members griped. "They expected cars," he said.
The meeting started late — you ever try to get 20 millionaires some place on time? (Mr. Sharp and Lou Eisenberg arrived in their limo two hours late.) They all sat on folding chairs in the living room. "To order, to order," said Mrs. DiBenedetto, the president, pounding the gavel. "The meeting of the Millionaire Circle will now come to order."
Minutes of the last meeting were read. One member had complained that the new dues rate — \$450 a year — was implemented without 30 days' notice, per Article 9 of the bylaws. Otherwise everything was beautiful.
They discussed the club's first membership dinner dance, which they hope will attract hundreds of new Lotto millionaires. The social chairman, Michael Auguste (\$3 million), explained it would be a sit-down affair, with a cocktail hour and Viennese hour. He said the 20 current members would pay only \$50, but the public would pay \$70.
"When you say open to the public," Mr. Naste said, "you mean —"
"No," Mr. Auguste interrupted. "You understand." He meant millionaire public.
Mrs. DiBenedetto said anyone interested in carpooling to future meetings should see her later. She...
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An Injured Sphinx — and Bruised Egos

By Alan Cowell
New York Times Service
CAIRO — A chunk fell off the Sphinx the other day and stirred more than just the dust in which it landed.

The fall inspired debate over how long the monument, now 4,600 years old, can survive. Some gave it only 20 years before it crumbled to powder, and others said that the nation's best-known monument still had many more inscrutable decades, even centuries, to go.

The lesion, on the huge statue's right shoulder, claimed one human victim, Ahmed Kadri, Egypt's director of antiquities, lost his job in the furor over who was to blame, a spasm of mudslinging that raised an old question: Who knows best about Egypt's antiquity, foreigners or the Egyptians themselves?

The fall occurred on Feb. 10 when two limestone slabs, weighing about 700 pounds (317 kilograms) between them, plummeted and left a dull scar in the pale stonework.

Egyptians call the Sphinx Abu al-Hawl, meaning father of terror. It measures 66 feet (20 meters) high and more than 230 feet long. It is a great hybrid of human and lion whose worn and wind-whipped face is thought to depict the Pharaoh Chephren.

As the wisdom goes, the huge monument is thought either to guard the nearby three pyramids of Giza, or to simulate the Pharaoh offering sacrifices to the sun god.

Either way, it has stood since 2600 B.C., weathering excavations from the desert sands that have

covered it, sometimes nearly burying its body. And across the millennia, the great monument has been beset by other woes.

Since earlier falls of rock in 1981, an Egyptian team has been working at its restoration, reshaping parts of it with blocks of modern stone that contrast sharply — some say incompatibly — with the weather-battered bulk of the monument.

Zahi Hawass, an archaeologist in charge of the district embracing the pyramids and the Sphinx at Giza, said a rising water table was gnawing away at the statue's limestone, while recent rain and sandstorms had battered its surface.

Just before the latest rock fall, a witness said, the Sphinx was lashed by a cruel sandstorm that seemed to help loosen the slabs that fell.

Mr. Hawass is one of those who contend the Sphinx is doomed unless scientists work out a way to save it.

"Maybe we will not find the

Sphinx in the coming 20 years if we do not do this type of study," he recently said. "We know that water changes limestone to powder."

Egypt's culture minister, Farouk Hosni, has said an international committee of archaeologists should be convened to work on the Sphinx's salvation.

But that suggestion drew a tart response from Mr. Kadri, the for-

Western expert, "was over the minister's wish to get foreigners in."

Mr. Kadri opposed that proposal, although he has supported many other foreign ventures involving Egypt's ancient monuments, notably French and Japanese teams working at the Pyramids.

A consensus among many Egyptian and foreign experts seems to be that replacing the fallen stone-work is not a big problem but that the fall itself should be treated as a sort of omen.

The piece that fell off does not form a load on other parts of the statue," said Kamal Barakat of the Egyptian Museum in Cairo, "but it should be taken as a warning, and there is enough time for studies on how best to restore it."

But that does not seem to ease the latent friction between Egyptians and outsiders over who is best-equipped to safeguard the future of antiquities that are seen by some Westerners as part of the human heritage, not purely a legacy for Egypt.

Foreigners had total control of Egypt's antiquities, one expert said, until Gamal Abdel Nasser rose to power in 1952, sweeping the outsiders' influence before a wave of Arab nationalism.

"Some foreigners," a Western expert said, "are pretty scathing about Egyptian skills. But some Egyptians have a great deal of feeling for their monuments. For us, they seem to belong to the whole world because they are so beautiful. The reality is, though, that it's just not our country."

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Egyptian and foreign archaeologists inspecting damage to the Sphinx, which recently lost a chunk of its right shoulder.

U.K. Offers Plan to Cut Ulster Discrimination

By Howell Raines
New York Times Service
LONDON — The British government outlined its plans Wednesday for legislation to combat discrimination in employment against Roman Catholics in Northern Ireland.

The key provisions call for "compulsory monitoring" by private and public employers, of the religious balance of their work forces, and for the removal from government bid lists of companies that discriminate.

The plan proposes the establishment of a new tribunal with the power to issue compliance orders that could be enforced in court by fines or prison sentences.

The British also plan to outlaw "indirect discrimination" which in the past has been done by such stratagems as confining recruitment drives to areas with high Protestant populations.

In sketching the legislation to be introduced in the House of Commons next fall, British officials acknowledged that the Fair Employment Act of 1976 had failed to end discrimination against Catholics in the province. Currently, unemployment among Catholic males is 25 times higher than among members of the Protestant majority.

The Northern Ireland secretary, Tom King, went to Belfast to announce the new campaign in an effort to bring optimism to British-Irish relations.

He warned the province's employers that traditional tactics of delay and resistance would not be tolerated.

"I will have very little sympathy indeed for those who seek to create problems and to point to difficulties," he said.

The Irish government and opposition politicians gave the proposal a cautiously approving welcome, noting that for the first time the British are proposing sanction of the sort once ruled out as "discrimination."

But the critics faulted Mr. King's proposal for lacking a detailed timetable and numerical goals. They also said the government had erred in deciding that a proposed Fair Employment Commission, rather than Parliament, would draw up a new Code of Practice for Northern Ireland's employers.

Both government officials and outside analysts said the campaign for the MacBride principles in the United States had influenced the British government to take a more aggressive line against religious discrimination in a province where Catholics make up about 40 percent of the 1.5 million population.

WORLD BRIEFS

300 Seek Prosecution of Waldheim

VIENNA (AP) — About 300 Austrians, including the writers Robert Jungk and Erich Fried, have asked state prosecutors to investigate whether President Kurt Waldheim can be prosecuted on suspicion of murder, a spokesman for the group said Wednesday.

A petition asking that Mr. Waldheim be investigated on the charge based on a historians' report about his World War II record, which found that he must have been aware of Nazi war crimes and therefore bore moral responsibility, has been circulating among intellectuals and at anti-Waldheim demonstrations.

The petition, published by the magazine Falter, cited an article of Austria's criminal code stating that "not only the direct perpetrator commits the punishable act, but also a person, who persuades another person to commit it, or who otherwise contributes to its perpetration."

Turkey to Review Union Curbs

ANKARA (Reuters) — The Turkish government plans to review some of the restrictions imposed on trade unions during the period of army rule in the early 1980s, Labor Minister Imren Aykut said Wednesday.

"Within six or eight months we will have the opportunity to discuss and make necessary changes and amendments to the laws and legislation," she said. Mrs. Aykut said that among the laws to be reviewed were those stating that only people who had been union members for at least 10 years could run for office and were then limited to a maximum of four three-year terms. Both issues have been of concern to unions and the International Labor Organization in Geneva.

Japan Increasing U.S. Troop Support

TOKYO (AP) — Japan signed an agreement Wednesday with the United States that requires it to assume a larger share of the costs of running U.S. military bases in Japan. The agreement follows a pledge by Prime Minister Noboru Takeshita to increase Japan's contribution.

Foreign Minister Sosuke Uno and L. Desaix Anderson, acting U.S. chargé d'affaires, endorsed a protocol that increases Japan's share of allowances for the 21,000 Japanese base workers from a maximum \$5 percent to 100 percent by 1991, the U.S. Embassy said.

Tougher Ban on Swaggart Rejected

NEW ORLEANS (AP) — Louisiana leaders of the Assemblies of God have rejected a request by national church officials that they toughen their recommended sanctions against the Reverend Jimmy Swaggart according to a church official.

The Louisiana official, who asked not to be identified, said Tuesday that the state presbytery decided at a meeting Monday to rebut its original recommendation that Mr. Swaggart, a television evangelist, be barred from preaching for three months as part of a two-year rehabilitation program. The national presbytery reportedly recommended barring Mr. Swaggart from the pulpit and television for a year, with an additional year of regulation of his ministry.

U.S. Is to Require 10 Exits on 747s

WASHINGTON (AP) — The Federal Aviation Administration will require Boeing Co. to install 10 exit doors in its new 747 passenger jetliners rather than the eight the company prefers, T. Allan McArthur, agency's administrator, said Wednesday.

Mr. McArthur told the House Subcommittee on Investigations and Oversight that for safety reasons he had decided to issue a rule, to be ready by late summer, requiring the additional doors. A Boeing official, however, told the committee that having only eight doors would be safe.

Strikes threatened for Thursday and Friday at the French dome airport Air Inter were called off Wednesday after unions and management agreed to further negotiations, union officials said.

Laos Conflict Reportedly Exposed Thai Weakness

By Michael Richardson
International Herald Tribune
BANGKOK — Serious deficiencies in Thailand's armed forces were exposed in a recent border conflict with Laos, analysts said. They suggested that the deficiencies might undermine the prospects of the army commander becoming the next prime minister.

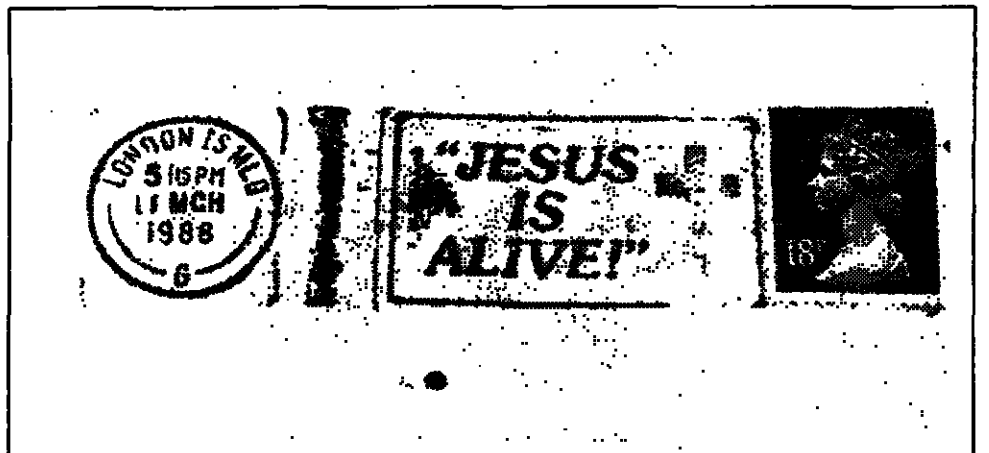
But his peace-making effort with Thailand's small Communist neighbor has been criticized by officials close to Prem Tinsulanond, 68, a former general who has been prime minister since 1980.

One official, who asked not to be identified, said that in talks last month with Laotian military leaders in Bangkok and the Laotian capital of Vientiane, General Chavalit had strengthened suspicions in Thailand that he was too ready to "compromise with Communists."

The official added that he did not think that General Chavalit would "make it to the top."

Mr. Prem, the source said, was "definitely inclined to see out his current term as prime minister" and might accept another term. Parliamentary elections in Thailand are not due until August 1990.

Kukrit Pramoj, a former prime minister, last week attacked the



This postmark is to be used in Britain for six weeks.

Will Britain Stamp Out Postmark?

LONDON — The Post Office on Wednesday began delivering mail throughout Britain bearing the postmark "Jesus Is Alive!" — a move that Jews, humanists, the National Secular Society and others called offensive to other beliefs.

The deal includes mail sent abroad but excludes parcels, periodicals and mail stamped by businesses that do their own franking.

Britain, paid \$88,500 for the privilege of having every letter mailed through 68 of Britain's 69 sorting offices stamped with the postmark "Jesus Is Alive!"

UN Aide Asks Pakistan To Shift Afghan Stance

By David B. Ottaway
Washington Post Service
GENEVA — The chief United Nations negotiator of a peace accord that would end the war in Afghanistan appealed Wednesday to Pakistan to drop its demand for the formation of a coalition government in Kabul before the withdrawal of Soviet troops.

Zia's demand and said Pakistan's position would be decided after a meeting of all Pakistani political parties Saturday.

Undersecretary-General Diego Cordovez of the United Nations, opening what is expected to be the final round of indirect talks between Pakistan and Afghanistan, said the issue of a government "should be left to the Afghans alone" to settle and not become "subject of an international agreement."

Mr. Cordovez said that the withdrawal of Soviet troops would raise the issue of the talks now, saying that "without such a government set up simultaneously with the withdrawal there is no earthly possibility of the refugees — three million of whom are on our soil — returning to their homeland."

He contends that without an internal political accord and a broad-based coalition government in Kabul, a Soviet pullout would bring chaos in Afghanistan that could spill over into Pakistan and delay the return of Afghan refugees.

Mr. Cordovez said he will not sign the agreement with the present Communist-dominated Kabul government and insisted on the formation of another one acceptable to the U.S.-armed Afghan resistance.

He also insisted that U.S. military aid for the Afghan resistance be ended.

The first of the four instruments of the accord is a bilateral agreement on noninterference in Afghanistan's affairs; the second, a declaration on international guarantees; the third covers the return of refugees; and the last sets out the interrelationship of the four parts as well as the Soviet troop withdrawal.

Mr. Cordovez indicated he was encouraged by the statement of the Pakistani minister of state for foreign affairs, Zain Noorani, who did not immediately repeat President

UNRWA May Restore Complete Lebanon Services

BEIRUT — The United Nations Relief and Works Agency welcomed Wednesday the release of two abducted Scandinavian employees after nearly a month in captivity and said their freedom may help the resumption of full-scale humanitarian services to Palestinian refugees in Lebanon.

Jan Steining, 44, a Swede, and William Jorgensen, 58, from Norway, were released unharmed Tuesday by the previously unknown Revolutionary Cells following 26 days of captivity.

UNRWA withdrew all its foreign staff from Lebanon last month because of the kidnapping and curtailment of many of its medical and educational services.

"The release is seen as a positive step toward resuming our normal operations under the supervision of international staff," an UNRWA spokeswoman said.

The decision is under study by UNRWA's Commissioner General in Vienna.

In another development, the capture of a West German citizen said they would free him as a goodwill gesture that should be followed by the release of two Shiite Moslem activists jailed in West Germany.

The Strugglers for Freedom said in a statement that a deal to release Ralph Schray, a 31-year-old industrial engineer who was abducted in Beirut on Jan. 27, was under way and cautioned the West German government against ignoring its promises.

Mr. Schray, whose mother is Lebanese, is a permanent resident in Lebanon.

Jean Le Poulain, 63, Head Of Comédie Française, Dies

PARIS — Jean Le Poulain, 63, who rose to head the Comédie-Française after it turned him down as an actor, died Tuesday of a heart attack.

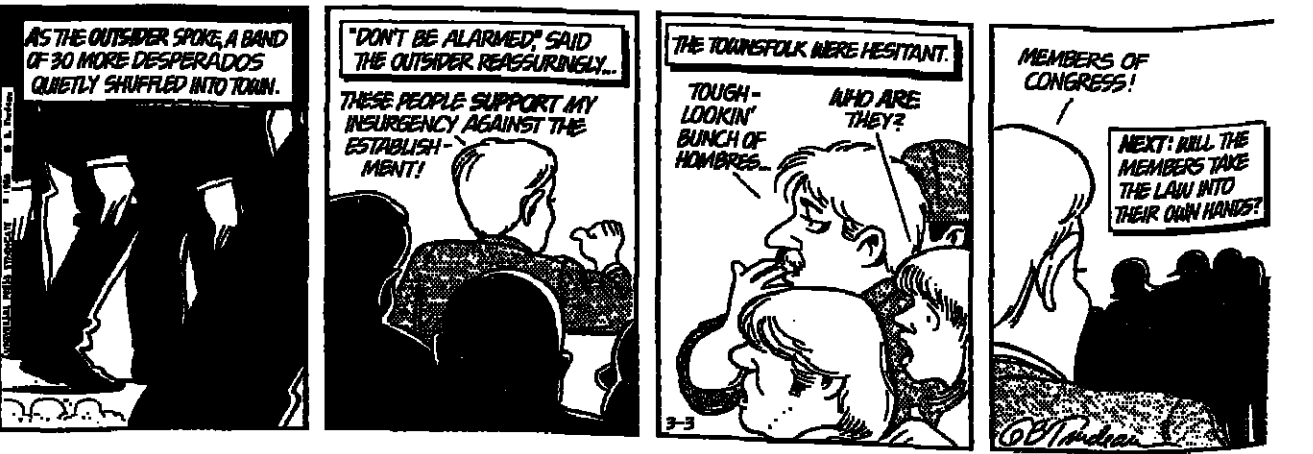
Born in Marseille, he spent most of his childhood in Indochina. Returning to Paris, he won first prize for comedy from the Conservatory. Yet he was turned down by the Comédie-Française and, after three years on other Paris stages, formed his own company.

During a career of 40 years in the theater, he acted in and directed dozens of plays ranging from the classics to farces and contemporary works.

Mr. Poulain had been a member of the Comédie-Française since 1979 and took over its control in 1986. The theater was founded in 1680 and is the repository of French classical drama.

ANKARA — Egypt and Turkey will hold joint naval exercises in the eastern Mediterranean later this week, the Turkish Foreign Ministry said Wednesday.

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Dukakis and Bush Win In Vermont Primary, Jackson Captures 2d

By Michael Rezendes
Washington Post Service

MONTPELIER, Vermont — Governor Michael S. Dukakis of Massachusetts won his third New England presidential nominating contest in the Vermont primary, and the Reverend Jesse L. Jackson picked up his second second-place finish in a state with a minuscule black population.

On the Republican side in Tuesday's "beauty contest" primary, where no national convention delegates were at stake, Vice President George Bush won over Senator Bob Dole, Republican of Kansas.

Mr. Dukakis had 56 percent of the vote and Mr. Jackson had 26 percent. The other candidates were far behind in single digits. Among Republicans, Mr. Bush was leading Mr. Dole 49 to 39 percent, and Mr. Dole's supporters had conceded the race.

Mr. Jackson captured 26 percent of the vote, but he said he would support the winner of the Democratic nomination.

the Republican candidates he is best able to draw support from independents and Democrats.

Vermont will choose 17 Republican convention delegates and 14 Democratic convention delegates at caucuses in April.

Several campaigns made little effort in Vermont. On the Democratic side they included those of Senator Paul Simon of Illinois, Representative Richard A. Gephardt of Missouri and Gary Hart of Colorado, who won here four years ago. Among Republicans they included Representative Jack F. Kemp and Pat Robertson.

■ Poll Leaders in South

A Washington Post-ABC News Poll indicates that Mr. Bush holds a commanding lead in virtually all the 16 states holding Republican primaries next week while Mr. Dukakis and Mr. Jackson are neck and neck for the lead on the Democratic side.

The poll found that Mr. Bush holds nearly a 3-to-1 lead over his closest competitor, Mr. Dole, among likely voters in Republican primaries in the region.

In the Democratic contest, the poll indicated that half the likely electorate was split evenly between Mr. Dukakis and Mr. Jackson, while Senator Robert Gore Jr. of Tennessee follows with just under 20 percent and Mr. Gephardt trails with just under 15 percent.

Robertson War Record Is Under Renewed Fire

Compiled by Our Staff From Dispatches

WASHINGTON — Paul N. McCloskey Jr., a former Republican congressman from California, renewed charges Wednesday that letters written by Pat Robertson's father prove that the former television evangelist "chickened out" of combat in the Korean War.

Mr. McCloskey's statement, made in a television interview, is similar to ones that prompted Mr. Robertson to file a libel suit. But Mr. Robertson, a Republican presidential candidate, now says he wants to drop the suit.

"He chickened out then, and he's chickening out now," Mr. McCloskey said in response to the latest move by Mr. Robertson.

Mr. Robertson is faced with a court appearance in the Southern presidential primary known as "Super Tuesday." He said Tuesday that he would withdraw the \$35 million libel suit against Mr. McCloskey.

Campaigning in Sarasota, Florida, Mr. Robertson said he would ask Mr. McCloskey instead to submit the matter to an arbitration panel. Such a move, however, would have to be approved by Judge Joyce Hens Green of U.S. District Court in Washington, who can agree to dismiss the suit with or without legal fees or allow the case to go to trial.

Mr. McCloskey's attorney, George Lehner, said his client was not interested in the arbitration offer and wanted to go to trial.

Mr. McCloskey, who served in the U.S. Marines with Mr. Robertson in the 1950s, said in a letter last year to Representative Andrew Jacobs Jr., Democrat of Indiana, that Mr. Robertson had bragged to him and others during the Korean War that he had prevailed upon his father, A. Willis Robertson, then a Democratic senator from Virginia, to get him out of combat.

"My single distinct memory," Mr. McCloskey wrote, "is of Pat, with a big grin on his face, standing on the dock at Kobe, telling us that his father had gotten him out of combat duty." At the time Mr. Robertson was a lieutenant.

Mr. Jacobs released the letter to reporters, and it was widely quoted. Mr. Robertson sued Mr. Jacobs and Mr. McCloskey for \$35 million each, but a judge ruled that Mr. Jacobs had no direct knowledge of the matter and had acted in good faith on what he was told by Mr. McCloskey.

Mr. McCloskey said Wednesday on the CBS program "This Morning" that he had obtained letters from Mr. Robertson's father, one of which, he said, was written to the U.S. Marine Corps, "saying, 'Thank you for assuring me that my son will not go into combat.'"

Mr. Robertson said that if Mr. McCloskey would not agree to submitting the question to the arbitration panel, he would submit it independently to a separate panel. Either way, he said, he would seek permission to withdraw the suit.

(UPI, NYT)



Former President Jimmy Carter, left, and his wife, Rosalynn, outside their home in Plains, Georgia, with one of this year's Democratic presidential candidates, Richard A. Gephardt. Mr. Carter did not endorse Mr. Gephardt, but he said he would support the winner of the Democratic nomination.

Panama Radio Raided; U.S. Banks Troops Beat Dissidents May Cut Off Panama

By Larry Rohter
New York Times Service

PANAMA CITY — Heavily armed paramilitary forces burst into a radio station here and badly beat a former presidential candidate before seizing him and 11 other people and forcing the station off the air.

The violence took place on the second day of a general strike called by civic groups and opposition political parties protesting the dismissal last week of President Eric Arturo Delvalle after he had attempted to depose Panama's military ruler, General Manuel Antonio Noriega. The strike gained force Tuesday as most factories, stores, banks and businesses in the capital failed to open.

Organizers of the strike described it as close to 90 percent successful in the capital area, where half of Panama's 2.2 million people live. They said the action would continue Wednesday but would not go on indefinitely and should not be expected to topple General Noriega.

The policeman seized Tuesday, Carlos Ivan Zuniga, 61, was the presidential candidate of the Popular Action Party in 1984. He was found badly shaken late Tuesday in a slum neighborhood where he, his son and nephew had been thrown from a car. Two political associates seized with them were missing.

"It was an Argentine-style operation," said Roberto Arosemena, the party's secretary-general, referring to the military seizure of suspected leftists in Argentina in the 1970s. "Before being dumped in the street, they were warned that they would be killed if they continued to protest against the dictatorship."

In an effort to prevent the plainclothesmen from taking Mr. Zuniga, residents of the neighborhood came out of their homes to pelt the men with stones and garbage and to erect barricades in the street. The last of the attackers was able to flee only after two vans carrying uniformed police arrived and the police began firing shotguns and tear gas at the residents.

The station, Radio Mundial, is owned by Mr. Zuniga's son and was regarded as the last opposition voice remaining in Panamanian news organizations. Two opposition radio stations, three leading newspapers and a television station owned by Mr. Delvalle's family were closed last month for broadcasting and publishing material that criticized General Noriega, including references to his indictments in the United States on drug trafficking and racketeering charges.

Mr. Delvalle's replacement, Manuel Solis Palma, had just finished addressing the country's legislative assembly in a televised speech, promising dialogue and conciliation, when the attack on Radio Mundial began. In a program of commentary, Mr. Zuniga had dismissed the assembly as "a farce" because of its role in the removal of Mr. Delvalle and mocked Mr. Solis as "a false pretender" and "a puppet" of General Noriega.

Listeners suddenly heard an announcer break in to shout: "They are here! Using a popular nickname for the police forces, she added, 'The Dobermans are coming!'"

Witnesses said seven men in plainclothes and armed with shotguns and 45-caliber pistols pulled up in front of the radio station in two unmarked cars and began shooting.

"I saw Dr. Zuniga come out of the station, all bloody and with his shirt ripped off," said Jorge Fonseca Lopez, a lawyer who lives in the neighborhood, known as El Cangrejo.

An American photographer, Alycia DiVito of The Tampa Tribune, photographed some of the confrontation. But the paramilitary forces seized him and held a pistol to his head until he gave up his film. Mr. DiVito and witnesses said.

Neighborhood residents prevented the paramilitary forces from leaving by setting small fires and piling garbage cans, palm fronds and automobiles across the thoroughfare.

The Associated Press

WASHINGTON — The State Department is preparing to notify all U.S. banks where the Panamanian government has deposits not to engage in any transactions with the regime that seized power in Panama last week, a lawyer for a Panamanian opposition group said Wednesday.

William D. Rogers, an attorney and expert on Latin American affairs, said the Panamanian government is believed to have deposits in five U.S. banks and that law suits are being drawn up to ensure bank compliance with the measure.

Mr. Rogers said the State Department action would require the banks to make disbursements only to the ambassador who represented the deposed government of President Eric Arturo Delvalle.

The State Department did not immediately confirm the statement by the lawyer.

■ Economic Warfare

Earlier, Neil A. Lewis of The New York Times reported from Washington.

With the backing of the Reagan administration, political opponents of General Manuel Antonio Noriega have unveiled a campaign of economic warfare intended to create a cash flow squeeze on Panama.

The economic strategy against General Noriega has been devised in Washington by supporters of Mr. Delvalle with the advice of Mr. Rogers, who was an assistant secretary of state for inter-American affairs and an undersecretary of state for economic affairs in the 1970s.

The State Department said Tuesday that Mr. Delvalle's proclamation freezing all Panamanian assets outside the country was a legitimate act by the lawful president of Panama.

The U.S. action opened the way for the Panama Canal Commission to withhold a \$7 million payment due to Panama next month, officials said. The payment is part of the estimated \$80 million in canal revenues for this year.

U.S. Farm Lending Unit Is Expected To Forgive Up to \$7 Billion in Debt

By Keith Schneider
New York Times Service

WASHINGTON — The Farmers Home Administration, the second-largest U.S. farm lending institution, is drafting rules that would forgive up to \$7 billion in bad debts, according to agency officials.

The action could help keep 100,000 farmers from going out of business and allow thousands who failed in the last decade to get back into business, the officials said.

Leaders of groups supporting the family farm in the South and Midwest, who for years have protested the agency's aggressive rules on loan collection, said that if the agency was serious about its intentions the policies would remove an enormous burden from farmers and aid rural economies.

The policies could extend to the most financially burdened farmers the same sense of relief that other farmers have been experiencing in recent months. Exports are rising,

prices for crops and livestock are increasing and land values are heading up in farming regions across the country, making the outlook for U.S. agriculture brighter this year than it has been in more than a decade.

Executives at the Farmers Home Administration, a division of the Agriculture Department, said the new rules, scheduled to take effect in June, fulfilled mandates of the Agricultural Credit Act, adopted by Congress in December and signed in January by President Ronald Reagan.

In general terms, the legislation required the agency to do everything possible to restructure loans, including writing off debt, to keep farmers on their land.

The White House Office of Management and Budget said Tuesday that the write-offs would not affect the federal budget deficit because the Farmers Home Administration was never expected to be able to recover the \$7 billion owed it by

prices for crops and livestock are increasing and land values are heading up in farming regions across the country, making the outlook for U.S. agriculture brighter this year than it has been in more than a decade.

Of the total, \$4.5 billion is principal loaned in the past decade from taxpayer funds. The rest is interest. The legislation was originally intended to aid the Farm Credit System, a farmer-owned network of 37 banks in 12 regions, which had lost nearly \$5 billion since 1985.

The Farm Credit System is also reviewing its collection rules. It has restructured almost 46,000 loans valued at \$5.6 billion since 1986.

2 East Germans Flee to West

HANNOVER, West Germany — Two East Germans scaled border fortifications Wednesday to reach West Germany in the second successful escape this week, border police said.

The two men, a 36-year-old carpenter and a 23-year-old building worker, crossed the border in the state of Lower Saxony.

Commuter Air Crashes Rise U.S. Rate Linked to Pilot Training, Money Problems

By Laura Parker
Washington Post Service

WASHINGTON — When an American Eagle commuter plane crashed into a grove of pine trees near the Raleigh-Durham Airport in North Carolina two weeks ago, the weather was bad, the pilot had an uneven training record and the airline was struggling to recover from bankruptcy.

In an industry that has seen explosive growth and change in the 10 years since airline deregulation in the United States, those factors figure prominently in a recent rise in commuter-airline accidents.

The Raleigh crash, in which 12 persons died, was the sixth U.S. commuter accident in four months and the third to involve companies providing connecting service for a major airline. In December, two passengers were seriously injured when another American Eagle plane crashed near Dulles International Airport outside Washington.

In January, a Continental Express plane crashed near Durango, Colorado, killing nine persons.

The accident rate of commuter airlines rose in 1987 after a four-year decline and is three times higher than that for major airlines, according to government figures.

"We're obviously concerned anytime we see something that may indicate a real rise as opposed to a temporary one," said John K. Lauber, a member of the National Transportation Safety Board. "It's always hard to sort this out. But in the commuter accidents we've investigated last year, there are some common themes that come through. Pilot training, experience, experience level in the cockpit, operating procedures, standardization in the cockpit."

Commuter airline pilots generally have less experience than pilots for major airlines. Much training for commuter pilots occurs in the aircraft, which limits the type of emergency procedures that can be safely practiced. The major airlines use multimillion-dollar simulators, which allow pilots to practice emer-

gency procedures too dangerous to practice in flight.

And pilot training programs are greatly affected by the high turnover rate among commuter pilots, which averages about 60 percent annually among the 160 U.S. commuter airlines.

Of the 5,300 pilots flying for commuter airlines, 4,010 were hired last year, according to Future Aviation Professionals of America, an organization in Atlanta that monitors pilot hiring. Of those, a

The pilot's experience level was good, by industry averages. But last summer, it took her three attempts to pass a check flight testing her skills. In September, she was criticized in a memo by a captain who flew with her, and investigators say they are looking closely at the airline's training program to see whether it was a factor in the crash.

"Experience is very difficult to measure," Mr. Lauber said. "The way we do it now is in terms of hours, but it's not a good measure. Take someone who has 1,000 hours as a flight instructor in Arizona or Florida or California, where the weather is good. That 1,000 hours is by no means the same 1,000 hours experience that another pilot has flying night cargo or canceled-check runs back in the Northeast."

The relationship between an airline's balance sheets and safety is even more difficult to pinpoint.

"I'm not aware of any research on the industry that develops a strong link," said Clinton Oster, who as director of the Transportation Center at Indiana University has researched the commuter airline industry extensively. "Even though it seems intuitively plausible, when you go out and look at it in a hard way, it's difficult to prove. That may be just because it's difficult to prove. It may also be because it isn't there."

Even more subtle is the effect of management changes at small airlines struggling to stay afloat financially. These can indirectly affect the continuity and quality of pilot training and company operating procedures. In 1985, the National Transportation Safety Board found this to be the case in crashes involving Bar Harbor Airlines and Henson Airlines.

Both pilots in the North Carolina crash were killed. Federal investigators said that they think the pilot, Kathy Digan, 28, was flying the plane when the crash occurred. She had worked for the company for nine months and had accumulated 2,450 hours of flying time, including 450 hours in the plane involved in the crash.

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Greenspan Urges Deep Cuts In Social Security, Medicare

Compiled by Our Staff From Dispatches

WASHINGTON — Alan Greenspan, chairman of the Federal Reserve Board, said Wednesday that deep cuts in entitlement programs, which include Social Security and Medicare, may be the most realistic way of cutting the federal budget deficit.

Mr. Greenspan, testifying before the Senate Budget Committee, said he saw little opportunity for further major cuts in military spending. Spending levels must be upheld, he said, to ensure that all the military equipment procured in the early and mid-1980s can be maintained.

Mr. Greenspan also called for an increase of 15 cents a gallon (3.4 cents a liter) in the federal gasoline tax.

But he said that, in general, tax increases did not appear to be a feasible way to shrink the budget deficit, which was \$150 billion last year.

"There are upside limits to the share of income that can be taxed," Mr. Greenspan said.

cial programs, in which increases are tied to the rate of inflation.

"Simple arithmetic points clearly to those areas where the scope for action is greatest," Mr. Greenspan testified.

Even though trimming Social Security and other benefit programs would be politically difficult, Mr. Greenspan said that "entitlement programs offer substantial opportunities for long-term budgetary savings."

He appeared before the committee as it considered President Ronald Reagan's \$1.09 trillion budget for the fiscal year starting Oct. 1.

Mr. Greenspan also said that trade deficit improvements, led by higher import prices and surging exports, would continue even at current exchange-rate levels of the dollar.

Meanwhile, the former Fed chairman, Paul A. Volcker, said Wednesday that he had joined James D. Wolfensohn Inc., a small New York investment banking and advisory firm, as chairman and part-owner.

Mr. Volcker has also accepted a part-time teaching post at Princeton University's Woodrow Wilson School of Public and International Affairs. (AP, Reuters)

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INTERNATIONAL Herald Tribune

Waiting for the PLO

The bottom may be about to fall out of the assumption that underlies Middle East peace negotiations. The assumption has been that Palestinians would sit at the peace talks as part of the Jordanian delegation, and that the parties thus could sidestep direct dealings with the Palestine Liberation Organization. Now Jordan seems to say that it will not press for a delegation including Palestinians, and that the PLO is free to make its own way. If that holds, Israel and the United States will have to confront the nastiest of questions: Should the PLO have an independent place at the bargaining table? Most Arab leaders disdain Yasser Arafat and the PLO. Yet they continue to insist that these are the sole legitimate representatives of the Palestinian people. Palestinian leaders on the West Bank and in Gaza do not look to the PLO to show the way in war or peace. Yet they dare not negotiate in any manner without PLO permission — as Secretary of State George Shultz learned the other day when no Palestinians showed up for a scheduled meeting. King Hussein of Jordan has tried for three years to displace PLO power in the occupied territories, without any real success. The truth is that even when Jordan went through the motions several times of finding independent Palestinians to participate in a Jordanian negotiating delegation, they all had to have Mr. Arafat's approval. For all the PLO's ups and downs, no serious Middle East peace talks can be held without PLO participation in some fashion. At the same time, the PLO still calls for the destruction of Israel in its very charter. The PLO is still a terrorist organization. While it has made noises over the years about accepting United Nations resolutions that call for accepting a Jewish state of Israel, the PLO has never stated unequivocally its willingness to coexist with Israel. If Mr. Arafat broke that barrier, chances are he would not remain PLO chairman much longer, which explains why Israel places no credence in serious negotiations with that organization. Thus, Israel and the United States can't negotiate with the PLO and can't negotiate without it. What can be done, then? The only sensible course, and it is not a good one, is the old one: Refuse to deal with the PLO unless it changes its charter and clearly accepts peace with Israel; and keep trying to work with West Bank and Gaza Palestinians. Their independence from the PLO is a fiction but a useful one. Until the PLO summons the courage and wisdom to accept peace with Israel in return for some kind of Palestinian homeland, it would be folly for Israel to bargain. But if the PLO were willing to make that deal, it would be folly for Israel not to embrace it. — THE NEW YORK TIMES.

The Empire Stirs

Just two weeks ago Mikhail Gorbachev was saying that the question of how the 100-plus Soviet ethnic groups or "nationalities" get along is "the most fundamental, vital issue of our society." He had some generalities at the ready, hailing "Soviet patriotism" while decrying "nationalism," "chauvinism" and "attempts at self-isolation" — the familiar Kremlin warnings to minorities that think of challenging (Great) Russian domination or confronting each other. As he spoke, nationalist demonstrations had just taken place in the Baltic region, which was brought forcibly under Communist rule only in World War II. Earlier there had been protests in Soviet Central Asia. Now there are demonstrations and riots in the Caucasus, where the Bolshevik regime subdued the briefly independent republics of Armenia, Azerbaijan and Georgia after World War I. It is not simply that the Soviet Union is as vulnerable as any other multinational country to the worldwide reassertion of ethnic concerns, a passion that time and again has shown its contempt for lines drawn on the political map. As the inheritor, expander and still the possessor of the world's largest land empire, the Soviet Union is more vulnerable. "Nationalities policy" has taxed the Soviet regime from the start. The Gorbachev version has combined the traditional assertion of centralized Great Russian power with modest nods to ethnic feeling. For Mr. Gorbachev there is a new twist: The decentralization called for by his economic reform gives these restless people a place to exert pressure. Then there are the Islamic currents stirred in the Soviet Union's fast-growing Central Asian Moslem republics by the war in Afghanistan and by revolutionary Iran. Two weeks ago Mr. Gorbachev was saying that the Kremlin should call a meeting. Events in Armenia and Azerbaijan are forcing the pace. He has had to send troops to enforce a curfew imposed to halt rioting and, meanwhile, is receiving protest leaders and promising a policy review. The Central Committee was already vigorously debating the overall Gorbachev policy changes. The new unrest will intensify the debate. It touches sensitive chords of political and territorial integrity and of the legitimacy of control by a Great Russian population that is itself becoming a minority. The extent to which his Kremlin foe will be able to use this issue to undermine Mr. Gorbachev is the key question. The issue has that explosive potential. — THE WASHINGTON POST.

Toward a Trade Bill

What the House and Senate passed separately added up to 2,000 pages of trouble. The trade bill, it is called, but anti-trade is more like it. Now the conference charged with reconciling the two versions has started to hack away much of the blatant special-interest mischief. The conference's tentative agreement sets a welcome tone and gives promise that nuisance provisions will not slip through unnoticed. But there is hard bargaining ahead to ensure that the final bill is not destructively protectionist. Credit the good start to the chairmen of the two committees primarily responsible for trade, Representative Dan Rostenkowski and Senator Lloyd Bentsen. Both want a bill that President Reagan will sign, not a veto for Democrats to flog as a campaign issue. So far, so good. But this immense conference contains 17 subgroups, and only one has made real headway. Conferees are tackling the less fractious issues first. The provisions now slated for detention include quotas on lamb imports and a \$365 million rebate to sugar refiners — mainly three large companies — for tariffs paid years ago. The cleaned-up bill would also eliminate a counterproductive new enforcement regime against customs fraud. The Reagan administration properly fought all these notions and opposes others yet to be resolved, including organized labor's demand for advance notice of plant closings and layoffs, registration of foreign investments in U.S. industry and harsh penalties against foreign companies that violate strategic export controls. Then comes the big stuff, none bigger than the Gephhardt amendment, a wretchedly drafted scheme that would strip Representative Richard Gephardt's campaign for the Democratic presidential nomination. His proposal would curb trade in the false guise of saving American jobs. It would require stiff curbs on imports from countries with allegedly unfair import restrictions or export subsidies and big surpluses in their trade with the United States. As written, the Gephardt amendment would surely provoke a veto. Messrs. Rostenkowski and Bentsen would rewrite it; Mr. Gephardt is open to negotiation. But there is no sign of a settlement yet, and the conferees have put it off until they see how Mr. Gephardt fares in the Super Tuesday primaries next week. When the bill finally takes shape, it will have been three years in the making. Its accumulation of protectionist baggage will have to be jettisoned or else the result will be worse than no law at all. Even in the contentious environment of a presidential election year, the conferees have begun well — but it's too early to cheer. — THE NEW YORK TIMES.

Other Comment

An Afghan Solution at Last?

Peace talks aimed at ending the Soviet occupation of Afghanistan resume in Geneva amid an unprecedented international air of expectation that they are, finally, going to succeed. By a deft piece of footwork, Mikhail Gorbachev is turning ignominious defeat into partial triumph. He has dropped his insistence that an interim government be formed in Kabul prior to withdrawal and, by this concession, has ensured that, if his troops are not pulling out by May 15, a date offered by him, he will not be to blame. He has been aided unwittingly by Pakistan, whose staunch opposition to the Soviet occupation has earned it the unqualified support of the United States. If this latest round of Geneva negotiations collapses in disagreement, Pakistan, by making demands on what happens after the withdrawal, will have to shoulder the blame for delaying the Soviet exit. Such a price is too high. Pakistan does have legitimate anxieties about what might happen once the Russians leave, [but] the outlook seems bleak and every effort should be made to find an acceptable compromise quickly. To fail would be tantamount to an admission that a Soviet occupation is preferable to self-determination and that the Afghans should not have the right to be left to make the best or worst of their own country. — The Financial Times (London).

Everybody Isn't Laughing

For some people, the scandals surrounding the shenanigans of fundamentalist TV evangelists are a source of great amusement: They enjoy seeing hypocrites get their comeuppance. For many others, the scandals are a source of pain and embarrassment: Not only have they been betrayed, but their religious beliefs are now being ridiculed. In some quarters, fundamentalism is seen as underserving of respect. But ridicule of others' religious views is not seemly. — The Tennessean (Nashville).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 46 37 91 00. Telex: Adversint 61285; Carleton, 612718; Editorial, 612718; Production, 630698.

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OPINION

Again a Season of Thaw in the Soviet Bloc

By William Pfaff

BERLIN — The climate of ideological unrest in the Soviet bloc after Stalin's death was described as "the Thaw." The term better suits what is going on now in the Soviet Union and Eastern Europe. Everywhere the political ground has gone soft, the footing is treacherous, streams of melted ice feed into rivers, rivers lead to torrents — torrents like that of national irredentism and ethnic hatred in Armenia and Azerbaijan. The earlier thaw culminated in the Hungarian revolution, and was ended by Soviet-imposed counterrevolution. This one has already led slip forces of unpredictable consequence. Mikhail

they are responsible for reforming their own systems. They are confused and frightened by the ideological message from Moscow. Gorbachev speeches are censored or unavailable in East Germany, Romania and Czechoslovakia. There is a fundamental difference between what goes on today in the Soviet Union and in Eastern Europe. Moscow's reform program responds to a new generation of officials who have grasped the plight of their country. Rather than challenging the West, they see the Soviet Union falling away from the standards of the West toward those of the Third World. They see its principal Asian neighbors, China and Pakistan, as being increasingly dynamic, while the Soviet Union has been in absolute economic decline.

People know that to 'restructure' communism is not the answer.

Gorbachev could suffer the fate of Nikita Khrushchev. Yet, like Mr. Khrushchev, he would have left a better world than he found. Mr. Gorbachev had no choice but to run the risks of national and communal passions in the non-Russian republics of the U.S.S.R. The Asian republics long ago fell into a corrupt quasi-autonomy, run for the benefit of local party chieftains, riddled with bribery and waste. It was said in Leonid Brezhnev's time that he was "czar of Moscow," but czar only of that. Asia was run by Asian party satraps with whom Moscow had to bargain. Mr. Gorbachev attacked this system, firing the corrupt and putting his own men in to rule — men who mainly are ethnic Russians. National and ethnic resentments have been reawakened or intensified by this reassertion not merely of centralizing power but of Russian power. In Eastern Europe the problem is the opposite. The ruling Communist elites have been told that

because the West Germans feel responsible for the well-being of the East German people. But changes are taking place in Eastern Europe, despite what the leaders plan or fear. Mr. Gorbachev's initiatives have changed the psychological as well as the political climate. Autocratic political and religious forces are established in Poland, East Germany and Hungary, strong enough for governments to have to accommodate them. Economic forces are at work to reestablish Germany in its historical role at the core of the Central European economy. Countries culturally part of the West — part of Roman, Roman Catholic, Reformation, Enlightenment Europe — are gravitating westward again.

People are talking about political solutions to the problem of East Europe's security relationship to the Soviet Union. The idea of "limited participation" in the Warsaw Pact has been floated. If Norway, Iceland, Denmark and France all can belong to NATO in limited ways, why can't the same thing exist in the Warsaw Pact? The six Balkan countries, Communist and non-Communist, have just conferred on regional problems in Belgrade, on Yugoslavia's initiative, ignoring ideology. The improbable star of the affair was the foreign minister of Albania, Reis Mallei, who said intelligent and constructive things (in old-fashioned diplomatic French) about the ethnic and national problems of the region. Further meetings are planned.

The situation in the Soviet bloc is one of intense change and no little risk. Nonetheless, for the first time in recent years it is possible to feel some optimism. Thaws are halted by sudden falls in temperature. Even when that happens, though, the landscape is not what it was before.

International Herald Tribune. © Los Angeles Times Syndicate.

Takeovers: Europe Joins the Rough and Tumble

By Peter Paul Mullen

NEW YORK — After years of hesitation, European business is beginning to join in the rough and tumble game of international corporate mergers and acquisitions. The impact of this will be felt especially in the United States, where Wall Street is expecting a host of aggressive Europeans to be shopping for U.S. companies this year. But just as Europe is developing an appetite for corporate acquisitions — a practice truly made in the U.S.A. — America's own taste for takeovers may be on the wane.

Major new European inroads into U.S. boardrooms will cause political sparks in the United States that may soon lead to greater restrictions on takeover activity, and possibly to new limits on foreign acquisitions in the United States. Over the longer run, this may force changes in European merger and acquisition laws, as American politicians insist that U.S. companies enjoy reciprocal freedom to acquire companies in Europe.

Anti-takeover forces are strengthened by the growing presence of foreign companies among the acquirers.

Europe has been slower to accept the legitimacy of corporate acquisitions activity. Not so long ago, European executives considered "merger mania" a uniquely American phenomenon, a shortsighted, costly shuffling of assets that distracted U.S. managers from the task of raising industrial productivity. Recently, though, European business has been looking more favorably on corporate acquisitions. Under increasing competitive pressure, especially from abroad, European companies have felt the need to reposition themselves, to gear up for tough, worldwide competition in the years ahead. European companies are also preparing for new growth opportunities

that are expected to appear when trade barriers within the European Community come down in 1992. The most telling sign that attitudes are changing is the participation of Continental companies in hostile takeovers. Cross-border attempts, such as the bid by BSN, the French food group, for Générale Biscuit, and Italian financier Carlo de Benedetti's bid for Société Générale de Belgique, are becoming more frequent. Already this year several established European companies, including Hoffman-La Roche and BAT Industries, have launched unsolicited takeover bids in the United States.

It is ironic that while Europeans are becoming more "American" in their acceptance of acquisitions, Americans are becoming less enthusiastic. Many prominent political and business leaders in the United States question the benefits of takeover activity to society. An unlikely coalition of business executives and workers, decrying the disruptive side effects of takeovers (such as plant closings and short-term thinking in corporate boardrooms), has persuaded many legislators that mergers and acquisitions, and especially hostile takeovers, should be regulated more closely. Thus the U.S. Congress has been considering, and many states have adopted, legislation intended to place more roadblocks in the path of corporate acquirers.

The anti-takeover forces are finding their hand strengthened by the increasing role of foreign companies among the acquirers. Many Americans are suspicious of the growth in

foreign acquisitions and investments. With the competitive problems of the U.S. economy hitting home harder than ever, America is more sensitive to what many perceive as its economic decline. Foreign investment and control of U.S. enterprises symbolize that decline. So there have been calls for legislative restrictions on foreign acquisitions and investment. A proposal in the trade bill now before Congress would empower the president to invoke national security concerns to block foreign acquisitions.

Another theme often heard is that the principle of reciprocity should govern foreign acquisitions in the United States; that is, these should be restricted if the acquirer's home country imposes restrictions. The United States will remain the world's most free-wheeling acquisitions market for the near future. By availing themselves of America's openness, European companies will be contributing to the growing political movement to limit takeovers. And if the United States succeeds in demanding reciprocity in acquisitions law, as it has in some respects during the recent free trade talks with Canada, the Europeans may also find that their spending spree in America has the long-term consequence of exposing them to takeovers by U.S. companies.

The writer is executive partner at Skadden, Arps, a New York-based international law firm that has been involved in mergers and acquisitions on both sides of the Atlantic, and chairman of the board of Georgetown University. He contributed this comment to the International Herald Tribune.

Foreign Policy, Too, Is Riding the Campaign Trails

By Richard Reeves

NEW YORK — George Bush knows a great deal about foreign affairs, and you may not know much at all. So it should not come as a surprise that he isn't much persuaded by the average voter's views on such things as war in Nicaragua, the 300,000 American soldiers stationed in Europe or the presence of U.S. warships in the Gulf. On the day after the House of Representatives voted to end aid to the contras in Nicaragua, I was with the vice president in Des Moines, Iowa, at a breakfast with a group called "Business for Peace." He avoided mentioning Nicaragua in a short speech, but the first question from the floor zeroed in on the public's role in U.S. foreign policy.

Now that the will of Congress has caught up with the will of the people about the contras... began Edward Thomas, a local accountant. Mr. Bush heard him out politely — Mr. Thomas was obviously anti-contras — then said more "let's be honest, you're right about the good intentions of the Sandinista government. But let's not be naive... Let me add that I would never turn foreign policy over to the public opinion polls." The vice president's answer was direct and honest. Most people in the U.S. foreign policy elite would

With foreign policy, the elite is 'tougher' than ordinary people.

agree with him on that. They like to have public opinion on their side — at times of war it is absolutely essential — but they generally consider it an ignorant impediment to dealing with the real world. That elite of high government officials, military men, scholars and international businessmen is usually a good deal more "tough" than you. They tend to be hard-line anti-

Communists. For instance: In a survey conducted by the Chicago Council on Foreign Relations to compare the attitudes of "leaders" and the public on whether the United States should intervene militarily if North Korea invaded South Korea, 64 percent of "leaders" would send troops, but only 24 percent of the public would approve of that. Mr. Thomas, a registered Republican, would not approve, I'm sure. "We've really moved from public opinion to public judgment on the contras," he said to me after listening to Mr. Bush. "If you believe in democracy, you believe that 10 heads are better than one. We have to move toward foreign policy that adheres to the same values and code of conduct both inside and outside the country — like respect for law, for example."

Whatever his personal experience, Mr. Thomas certainly spotted American democratic decision-making apparatus. American foreign policy is the province of very few people — 2,000 or 3,000 people, former President Richard Nixon estimated when I asked him once. They are a self-selected elite. They are the people who really care about and work to understand foreign affairs, so they make the policy. They are the last generation aristocracy in America — a club, even if almost anyone smart enough and determined enough can break into it.

Nonmembers, however, can be interesting as well. One of the extraordinary things about this year's presidential election is that the leading Democratic candidates (with the possible exception of Albert Gore Jr.) are not part of that elite. Michael Dukakis, Richard Gephardt, Jesse Jackson and Paul Simon are foreign policy outsiders. I left the Bush campaign that day to join Mr. Dukakis at a high school outside Des Moines. The first question he was asked there was about what sort of foreign policy he would shape. "What I want is a foreign policy that reflects American values," he answered. "Human rights, respect for law, respect for human life."

That is not the "tough" answer — at least not the answer of the people and attitudes that have dominated American foreign policy thinking since World War II. There is some indication, however, that many Democrats are serious about trying to redefine national security issues. Mr. Dukakis was highly critical of U.S.

policy in Central America. "The legacy of our interventions there," he said, "is decades of tyranny."

Mr. Gephardt's emphasis on trade policy, for another example, is really an assertion that the United States lost out preparing for World War III while its allies were mobilizing their people for trade wars.

The Democrats are arguing, in effect, that there is no longer any separation between domestic and foreign issues and policy. The issue is simply America's place in a changing world. "Economic issues and security issues dovetail now," Mr. Gephardt told me the other day. "Prosperity and growth at home merge with questions about our military presence in Europe and Asia, and with arms control. I just don't believe that we can engage in another arms race and grow economically at the same time."

The Missouri congressman seems to sense that getting tough on trade wars might be the emotional equivalent of old-line, hard-line Cold War toughness. If Mr. Gephardt turns out to be right about that, or if Mr. Dukakis's Carteresque "human rights" thinking catches public opinion at the right moment, this will be an extremely important election in determining America's role and responsibility in the 1990s.

United Press Syndicate.

100, 75 AND 50 YEARS AGO

1888: Mind Your Flock

LONDON — The Bishop of Exeter has presented a petition to the Upper House of Convocation of Canterbury "giving away" London naughtiness [on the Sabbath], which is said to comprise formal dinner parties, smoking concerts, theatrical performances, comic recitations and amusing programs of fun and frolic, exhibitions of jugglery, parades in Hyde Park, coach drives, the "Sunday up the river," boxing at the Pelican Club, lawn tennis, dancing at clubs and private houses. The Bishop of London was not present when these awful charges were brought against His Lordship's flock. But today [March 2] he turned up and told the worthy members of the Upper House of Convocation that his sheep were no blacker than any other Bishop's sheep. He hinted that when any of the members of his brother Bishop's flock wanted to be naughty, they should go to London to go on a "bust." So he wasn't responsible.

1913: Fleet Gathers

CONSTANTINOPLE — The arrival of the Austro-Hungarian cruiser Elisabetha [on March 2] brought the contingent of foreign war vessels anchored in the Bosphorus up to 14. The nations are represented as follows: Russia, three; Italy, France and Great Britain, two each; Germany, Austria-Hungary, Holland, Spain and Roumania, one each. The commanders have made elaborate preparations to quell immediately any disorder that might arise in the city and to protect foreign residents there.

1938: Trotsky Objects

MEXICO CITY — The "purge" trial of twenty-one former Soviet officials, which started [on March 2] in Moscow, is the "grandiose nonsense and delirium of a lunatic armed with enormous power." Trotsky declared there tonight. "The accusations are saturated with the spirit of proletarian idology," he said.

GREAT QUESTION IN MODERN DIPLOMACY:



Drugs: Ca And Mana

Her

OPINION

Drugs: Call Off the 'War' And Manage Coexistence

By Edwin M. Yoder Jr.

WASHINGTON — So now a dumb "war on drugs" having failed at home, is going international. As usual, doubling the effort will square the error.

The error is theoretical. Indeed, it resembles the long battle to hold modern astronomy at bay. Centuries ago, philosophers decided for mystical reasons that planets had to be moving in circular orbits, as the telescope suggested. Circles symbolized perfection; they were the moral way for planets to move.

certified" as a co-operator in the "war" against the Western Hemisphere's drug traffic. Worse, some presidential candidates are muttering opportunistically about winking on the canal treaty.

Thus has a ludicrously ineffectual anti-drug policy begotten potentially disastrous side effects, threatening to turn Panama into an enemy and the canal into an unusable ruin.

Simple analogy might have forewarned. On the streets of America, fighting illicit drugs with criminal sanctions has mainly been a threat to the lives of policemen (or an occasion of their corruption, in the case of a small minority), while encouraging and enriching mobsters. And the spate of drug wars. The policy recapitulates the worst experiment in political moralism in American history, the "noble experiment" of the 1920s whereby the prohibitionists tried to dry up America. Instead, they grafted a nearly uncontrollable crime problem to the ancient vices associated with the use of alcohol.



why that is so (except in the case of heroin, which is almost exclusively a ghetto drug) is uncertain. If all the money, rhetoric and energy now poured with high-minded futility into the suppression of the drug traffic, in the United States and abroad, were turned to education, medication, counseling and — yes, let's say it up front — state-controlled dispensation, what would happen? Would things be worse? There would be a price. Society, as a legal supplier of drugs, would stoop —

as it does in the case of alcohol — to the open recognition, maybe even assistance, of destructive habits. The major benefit would be to remove the premium on smuggling and black marketing that enriches thugs like General Noriega and his counterparts in the United States and abroad, were turned to education, medication, counseling and — yes, let's say it up front — state-controlled dispensation, what would happen? Would things be worse? There would be a price. Society, as a legal supplier of drugs, would stoop —

would be some satisfaction in seeing the drug profiteers impoverished, their ill-got gains rechanneled to constructive public uses, including rehabilitation? Finally, there would be less occasion to subordinate vital national interests, such as the political stability of Latin neighbors and the navigability of the Panama Canal, to the vain attempt to suppress an insupportable traffic which stupid U.S. policy helps make a gold mine for assorted thugs of the Western Hemisphere. Washington Post Writers Group.

When Champ Plays Patzer, Mercy Isn't the Game Plan

By Harold C. Schonberg

NEW YORK — How does a patzer feel while he is playing Garry Kasparov, the chess champion of the world, in a simultaneous exhibition? He feels nervous. Scared. At the end, he is in a state of shock.

On Feb. 23, Mr. Kasparov, in New York for a brief visit, played 32 boards at the Casa de España. Against him were chess players ranging from patzer to master and international master. The champion started moving pieces at 6 P.M. He was finished at 9:07. The result: 28 victories, 4 draws.

I was not one of the four. I had never expected to be, even in my most ambitious fantasies. I am, after all, a patzer. A patzer, also known as a wood-pusher, is the lowest form of chess player. He is rudimentary, ill-formed.

In a position comparable to mine. They wanted to brag that they had lasted 25 moves against the champ. I had a moral victory of sorts. I was not the first to resign. Mr. Kasparov smashed half a dozen or so before me. Mr. Kasparov was terrifying as he raced from board to board. He is an athletic young man, medium-sized, strongly built, handsome, hirsute, neatly dressed, with an air of complete, menacing authority. He looks older than his 25 years. He was perpetual motion at the simul.

Even against the best players, the champion spent hardly more than 10 seconds on a move. Against the patzers his moves came instantly. In a simul, the players have the black pieces. They are obliged to move when the grand master comes to their board. Mr. Kasparov's strategy soon became clear. He did not want the strongest players to have too much time. Hence his speed. And when he approached the boards he expected an immediate move from his opponent, becoming irritated if there was any hesitation.

After the last game was over, some of the experienced players, discussing the simul, marveled at Mr. Kasparov's ability to synthesize everything with incredible speed and always come up with the strongest move. Mr. Kasparov himself said it was a strong simul and mentioned such players as the international master Jay Bohna, who lost, and Pablo San Segundo, the 18-year-old junior champion of Spain, who drew. They were the highest-rated players in the simul.

When he attempts strategy, it is worse than his tactics. When he attempts tactics, it is worse than his strategy. On a scale with grand master at the top, he is little more than a caterpillar. But he perseveres. The patzer's problem is that he loves chess.

I decided to go into training for my game at the simultaneous exhibition, known to chess players as a "simul." I had Asa Hoffman, a master at the Manhattan Chess Club, brief me on openings. We worked on the opening move that the champion would probably make: P-K4 or P-Q4. Mr. Hoffman guided me through the intricacies of the Ruy Lopez and Queen's Gambit. He was gentle and patient. He kept urging me to think and not move so fast. After a while I had the opening variations of P-K4 pretty much in my head. Or so I thought.

The candidates' matches for the next world championship will begin shortly, and the one who comes out on top will play Mr. Kasparov. Who, I asked him, has the best chance of winning? "I don't want to talk," Mr. Kasparov said. "Karpov has good chances. But anything could happen." Wasn't he tired of playing Anatoli Karpov? They already have had three long head-to-head confrontations. "No," said Mr. Kasparov, smiling a tiger's smile, burning bright.

The writer is a chess player, kibitzer and on-again, off-again chess correspondent for The New York Times. He has lost to some of the game's greatest players, including Bobby Fischer.

LETTERS TO THE EDITOR

President Waldheim: Symbol and Burden for Austria

As an Austrian, I was aroused to indignation by A. M. Rosenthal's column (IHT, Feb. 24) on Kurt Waldheim being referred to as "the Vienna record of hypocrisy" as inaccurate as it is offensive.

is precisely what Austria deserves for its image; he should not step down. He should remain as a reminder of Austria's past — which it has always refused to face, just as it has refused to make any meaningful reparations.

How to judge today the ethical standards of the German Army in the Balkans some 45 years ago. The crisis of Austria's national identity from 1918 to 1945. Whether Austria will remain the easternmost country of the West or become the westernmost country of the East.

Mr. Waldheim as an instrument in Austria party politics. Mr. Waldheim as an instrument in policies that have little to do with Austria, such as the rivalries between Jewish organizations and the United States' turning away from the United Nations.

their own demand and definitely not by Mr. Bronfman's order. JURG CABJOLSKY, Vienna.

Austria had been a leading force in Europe and a great power for centuries. After 1918, its body was reduced to a torso, unable to manage alone either economically or politically. Mr. Rosenthal surely recalls that by the 1930s Austria's economy had sunk to nothing, with an unemployment rate among the world's highest. The need for assistance was responded to only by neighboring Germany. This is the most realistic explanation of Austria's readiness for Anschluss, not the "glee and profit" referred to by Mr. Rosenthal.

At a time when most Austrians are too young to have had any responsibility for the terrible events of World War II, to blame pro-Nazi attitudes of the past on Austria rather than, more appropriately, on Austrian Nazis is an exercise in the literature of hate.

Mr. Waldheim's affair no doubt will discourage other public figures with secrets in their pasts from commenting on Israeli actions in the occupied territories and elsewhere.

Mr. Waldheim is not Austria, nor is Mr. Bronfman the world. It is not the world condemning Austria, but the World Jewish Congress. This makes quite a difference. There already seems to exist a majority of Austrian voters wanting Mr. Waldheim to resign — on

After a fresh defeat in 1945 and in the

after his hidden past became known. He

The Waldheim debate is really the sum of at least six separate issues: Mr. Waldheim's credibility.

Mr. Waldheim's resignation — on

Advertisement for the Oil and Money Conference in London, October 13-14, 1988. Includes dates for Thursday and Friday, and contact information for Jenni Bielenberg.

Advertisement for '1992: The World's Rendezvous with Europe' series of seven major IHT advertising sections. Lists topics like information technology, telecommunications, and banking.

Vertical text on the left margin: Intervening Usefully In Panama, By Flora Lewis, PARIS — To intervene in a question. The litany of... 50 YEARS AGO, 1913: Fleet... 1938: Trotsky...

THE NATO SUMMIT: The alliance outlines its approach to negotiations on Soviet conventional arms superiority in Europe

2 U.S. Legislators Assail Allies For Not Paying NATO Share

By George C. Wilson
WASHINGTON — Two key legislators have displayed impatience with the unwillingness of European NATO partners to pay more for defending the alliance.

Frank C. Carlucci, who Tuesday was making his first appearance before the committee, said that the balance was particularly grating "at a time we're dealing with a fiscal crisis."

The defense secretary, who in November warned NATO allies in Brussels that there had to be a new division of labor, chose to stress the positive, declaring that "90 percent of the ground forces come from European countries."

France Returns to NATO With Political Pas de Deux

BRUSSELS — France is participating fully in a NATO summit meeting for the first time in nearly 25 years, and as if to make up for lost time, it is represented by two leaders instead of one.

Chirac is portrayed as closer to Britain and the U.S., while Mitterrand is seen as sympathetic to the views of the West German foreign minister.

Organization, is to sound enough alike to articulate a French national position and yet sufficiently different to burnish its images. This proves easiest in photographs, where neither has to speak.



President Ronald Reagan, talking to the NATO secretary-general, Lord Carrington, used a device to turn up his hearing aid before the opening of the alliance summit meeting in Brussels on Wednesday.

NATO: Western Leaders Outline Proposals for Talks on Conventional Arms Cuts

(Continued from Page 1)
ty and Mr. Gorbachev's offers of further disarmament talks. Mrs. Thatcher at one point threatened to hold up the statement on conventional arms control, but relented because, diplomats said, NATO leaders agree on the need to show Western momentum in seeking to ease military tensions.

for the Soviet Union, perhaps by the summer, officials said. Although worded in general terms to smooth over national divergences on the detailed approach to take in actual arms talks, the four-page document frequently cautioned against losing sight of Western defense in any deal to reduce the Soviet threat to Western Europe.

In a phrase that Mr. Keel said was designed to "keep the Soviet Union from going through the back door to get our dual-capable nuclear arms like aircraft," NATO governments agreed that they will neither make nor accept proposals which involve an erosion of the allies' nuclear capability.

ferred instead to the need for keeping Western forces "modern and up to date." This phrasing, a British official said, "kept the idea without offending the German sensibilities."

Kremlin Confirms Deaths in Rioting

By Philip Taubman
MOSCOW — A Soviet spokesman confirmed Wednesday that an unspecified number of people were killed during nationalist rioting Sunday in the southern Soviet city of Sumgait.

violence flared across the two republics last week. Last week, the government confirmed that two persons were killed and several dozen injured during nationalist unrest in the two republics.

Like the Chernobyl nuclear disaster in 1986, the recent events seem to have touched off a reflexive effort by the authorities to shield the Soviet people from bad news about their country.

In this case, there may also concern that reporting about the disturbances might touch off nationalist unrest in other parts of the country.

Iraq Says Missiles 'Pound' Tehran And Strike Qom

BAGHDAD — Iraq said it fired another missile at Tehran on Wednesday evening, the 22d it had launched against the Iranian capital since Monday.

Worldwide 'Big Business' of Drugs Expanded in 1987, U.S. Study Finds

By Elaine Sciolino
WASHINGTON — The production of coca, marijuana and opium-poppo crops in most drug-producing countries grew substantially in the last year and is beyond the ability of any single government to control, according to a State Department report.

Rather, the report says the burgeoning demand for drugs outside North America, particularly in some countries involved in production and transportation, such as India, Pakistan and some Southeast Asian countries, has contributed to increased production.

RIOTS: 'Glasnost' Is Seen as Cause of Soviet Unrest

(Continued from Page 1)
succeeded at all. The central question is whether he will get enough time." President Ronald Reagan, according to one aide, said after he started the talks last December that Mr. Gorbachev looked like a man who was "scared to death."

Within the Politburo, Mr. Gates said, there seems to be general agreement that "for more economic modernization requires a more predictable, if not benign, international environment."

There is still the question whether it is in Washington's interest for Mr. Gorbachev to succeed or fail as leader of the Soviet Union. Mr. Gates answered that question this way: "Gorbachev intends improved Soviet economic performance, greater political vitality at home, and more dynamic diplomacy to make the U.S.S.R. a more competitive and stronger adversary in the years ahead."

GULF: Concern Grows

(Continued from Page 1)
tion of international involvement in the region. That escalation began with last year's deployment of a Western naval armada in the Gulf, in tandem with an American-sponsored effort in the United Nations to force a cease-fire.

Child of UN Diplomat Returns to Zimbabwe

WASHINGTON — The 9-year-old son of a Zimbabwean diplomat who had been accused of abusing the boy has been returned to Zimbabwe, according to a report published Tuesday.

POLAND: Anti-Semitism Review

(Continued from Page 1)
erated the party as an institution as well as its former leader, Wladyslaw Gombik. It also repeated 20-year-old charges that the student protests were manipulated by "anti-Communist and cosmopolitan" youth.

MILLIONS: Lotto Winners Seek Safety in Numbers

(Continued from Page 1)
noted that only 10 of 20 millionaires had paid their dues and left it at that. There was much discussion about the state's plan to create bigger jackpots by expanding from 48 to 34 possible numbers.

Ban on Satellite Arms Is Worthy Goal, U.S. Command Officer Says

By R. Jeffrey Smith
WASHINGTON — A senior military official at the U.S. Space Command, the likely operator of any U.S. shield against Soviet ballistic missiles, described a ban on weapons in space Wednesday as "a damn worthy goal" that should be pursued in U.S.-Soviet negotiations.

U.K. Withdraws Ban On BBC Spy Program

LONDON — The British government has withdrawn its objection to a radio program that included interviews with intelligence officials, the British Broadcasting Corp. said.

U.S. Army Tests Banned

A federal judge in Washington has ruled that the U.S. Army's mandatory random drug testing of civilian employees in so-called critical positions is unconstitutional and ordered the tests halted immediately.

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SCIENCE

Earthquake Watchers Focus on Eastern U.S.

IN BRIEF

Mastodons' Extinction Linked to Salt

LANSING, Michigan (WP) — Researchers have linked the extinction of mastodons and mammoths to the disappearance of salt licks in Michigan at the end of the last Ice Age.

Children Presume the World is Flat

WASHINGTON (WP) — Most children are not taught that the Earth is round until they are about 10 years old, according to a survey conducted for the National Science Teachers Association.

Acid Dew Studied as Possible Threat

ATLANTA (UPI) — Acid dew is not new, but only recently have researchers identified it as another potentially harmful environmental stress caused by the emission of sulfur dioxide and nitrogen oxide from industries and motor vehicles.

Explaining Jupiter's Great Red Spot

NEW YORK (NYT) — A spinning tub of water has convinced experts on chaotic systems that they have figured out one of the solar system's most baffling landmarks, the Great Red Spot of Jupiter.

By James Gleick

THE next catastrophic earthquake in the United States could well strike not in California but in the densely populated, highly industrialized and poorly prepared eastern states, many geologists now believe.

West Coast's Strongest Quakes

A past generation of research has focused on the notoriously active faults on the West Coast, where earthquakes are much more common.

on the East Coast and the scanty data from known earthquakes before the 20th century.

"Potential seismic problems are largely unrecognized, particularly in the Eastern United States," said Masanobu Shinozuka of Princeton University.

Worst Eastern Quakes

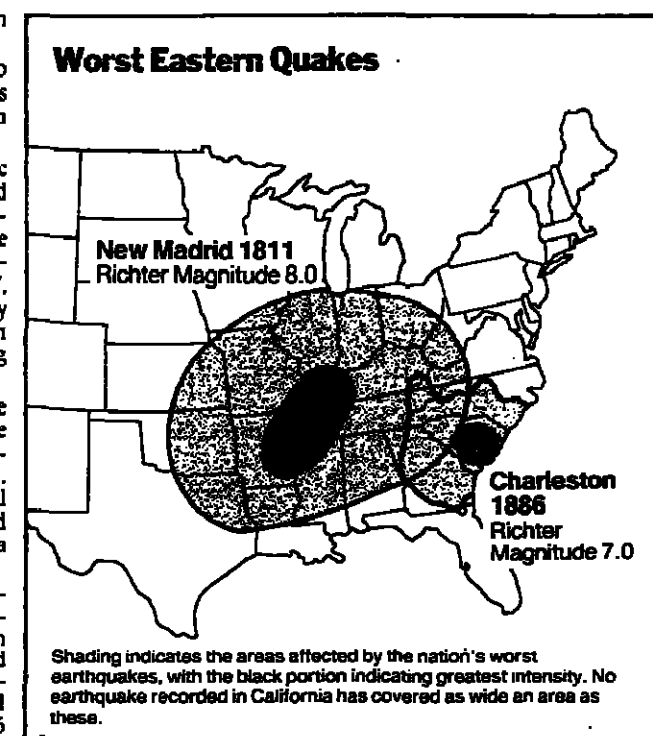
Shading indicates the areas affected by the nation's worst earthquakes, with the black portion indicating greatest intensity.

1929, and Baffin Bay in northern Canada in 1933.

Government maps meant to show areas at risk for earthquakes have tended to give their attention to the sites of these great events.

Arms Cuts

The event of withdrawal from the Western alliance was a blow to the Soviet Union's prestige.



The New York Times

U.K. Withdraws From Western Alliance

LONDON — The British government has withdrawn from the Western alliance with the Soviet Union.

U.S. Army Tests Remote Control

A federal agency has ruled that the military should not conduct experiments with remote control of nuclear weapons.

Anti-Semitism Resurges

The resurgence of anti-Semitism in Europe is a cause for concern, according to a report from the United Nations.

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over the last generation of plate tectonics, recognizing that the Earth's continents float across its surface on plates.

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"We were distracted and we were told by theory that interiors should be quiet areas," Dr. Seeber said.

Because the middle and Eastern United States lack the obvious active faults of areas like California, geologists have found it more difficult to understand earthquakes in the Eastern United States.

Still, scientists have made some progress in formulating theories. Dr. Seeber argues that the key structures are features extending through the earth on a large scale.

Although the earth in the Eastern states is not split by huge faults like those at the edges of plates, an important set of fractures remain where the great continental masses once pulled apart.

Such processes may be ultimately responsible for the great historic quakes, but they do not suggest that the same sites will be struck again and again.

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Study Find... U.S. Army Tests Remote Control... Anti-Semitism Resurges...

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Advertisement for AT&T International Information Center. Features the AT&T logo and contact information for international calling services.

NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 a.m. volume, NYSE prev. close, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Wednesdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns for Advanced, Declined, Unchanged, etc.

NASDAQ Index table with columns for Composite, Industrials, Finance, etc.

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Close, Prev., Advanced, Declined, etc.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, 'S'RT.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for Industrials, Finance, etc.

NASDAQ Diary table with columns for Close, Prev., Advanced, Declined, etc.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Active NYSE Inches Upward

NEW YORK — Prices on the New York Stock Exchange inched ahead Wednesday in active trading as investors were torn between the urge to buy into a three-week rally and their desire to shore up gains made during the run-up in prices.

The Dow Jones average of 30 industrial stocks rose 0.83 to close at 2,071.29, after declining by 1.16 points Tuesday. The blue-chip index had been up more than 20 points before retreating in the afternoon.

Advances outnumbered declines by more than a 4-3 ratio. Volume totaled 199,633 million shares, down slightly from the 199,990 million traded Tuesday.

J.P. Stevens scored 7 1/2 to 5 1/2 in heavy trading. On Tuesday, West Point-Pepperell offered \$5 a share to acquire the textile giant, while a management-led group raised its offer to \$55 a share. West Point-Pepperell fell 1 1/2 to 28 1/2.

consolidation could see a temporary setback in the Dow. Occidental Petroleum was the most active NYSE issue, closing unchanged at 26 1/2. Union Electric followed, off 1/4 to 24 1/2.

Federated Department Stores was third on the active list, down 1 to 66 1/2. R.H. Macy agreed to acquire the retailer for \$74.50 a share in cash and securities.

AT&T gained 1/4 to 29 1/2 and IBM added 1/4 to 117 1/2. Among other blue chips, General Motors slipped 1/4 to 71 1/2, USX lost 1/4 to 33 1/2, General Electric gained 1/4 to 45 1/2 in ex-dividend trading and Eastman Kodak rose 1/4 to 44 1/2.

Oil issues declined, reflecting recent steep declines in oil prices. J.P. Stevens scored 7 1/2 to 5 1/2 in heavy trading. On Tuesday, West Point-Pepperell offered \$5 a share to acquire the textile giant, while a management-led group raised its offer to \$55 a share. West Point-Pepperell fell 1 1/2 to 28 1/2.

London Index Passes 1,800

LONDON — Prices on the London stock market firmed Wednesday in fairly active trading, with the Financial Times-Stock Exchange 100-share index closing above 1,800 for the first time since October.

The FTSE index closed 26.8 points higher, up 1.5 percent at 1,808.7, with buyers encouraged by interest in some major stocks, especially international shares and insurance issues, and gains in early trading on Wall Street.

Large table of stock prices (A) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

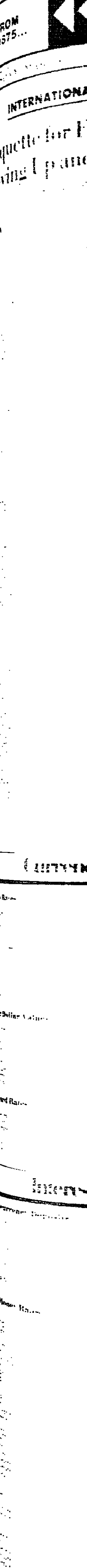
Large table of stock prices (B) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large table of stock prices (C) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large table of stock prices (D) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large table of stock prices (E) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.

Large table of stock prices (F) with columns for 12 Month High, Low, Stock, Div. Yld. PE, 52 High, Low, Close, Chg.



AMEX Most Active

AMEX Stock Index

Table with columns for AMEX Most Active and AMEX Stock Index, listing various stocks and their prices.

INTERNATIONAL MANAGER

Etiquette for Executives Moving Up and Around

By SHERRY BUCHANAN

COMPANIES are hiring etiquette consultants to teach executives good manners as they move around the world or move up the corporate ladder, or both.

There is no direct, measurable payoff, etiquette-conscious executives say. Knowing how to peel a mango in 50 different countries is not necessarily going to land a big order.

Trying to understand other people's social and ethical values brings a better response.

Marina Eloy, a Frenchwoman who is based in London as chief of personnel for J.P. Morgan's European operations, says that "many executives don't have a clue" about how to behave abroad.

TWO-HOUR sessions once a week for five weeks cost a total of 7,000 francs (about \$1,225) for 2 persons, 10,000 francs for 3 to 5 persons and 13,000 francs for 6 to 12.

Travel is not the only reason executives need social adjustment courses. Upwardly mobile executives are eager to fit in with social elites in the hope of widening their business contacts.

"As they go up the corporate ladder, they have to evolve," said Elyane Delhay-Lhermitte of the Institut Français du Savoir-Vivre in Paris, a company she started a year ago to polish rough-cut executives.

The eight two-hour sessions cost a cool 30,000 francs per person. Included in the price are three meals at which students learn to deal with such hard-to-handle foods as asparagus and artichokes, and a class with Comte Roland d'Andlau-Hombourg, an excellent shot, who initiates them into the intricacies of weekend shoots.

Federated Accepts Macy Bid

But Campeau's Offer Is Raised

Compiled by Our Staff From Dispatches

NEW YORK — Federated Department Stores Inc. said Wednesday that its board had accepted a takeover bid by R.F. Macy & Co. over a competing offer from Campeau Corp.

Federated, the fifth-largest U.S. retailer, and Macy, the 10th-largest, signed a definitive agreement to create a new company, Macy's-Federated Inc., said Jim Fingeroth, a spokesman for Macy.

The agreement provides for Macy to begin a cash tender offer of \$74.50 a share, or \$5.25 billion, for about 80 percent of Federated's 89.6 million shares outstanding, Mr. Fingeroth said.

The remaining 20 percent of Federated stock would be exchanged for equity equal to 40 percent of the shares outstanding in the merged company, analysts said.

Campeau had offered \$68 a share in cash for all Federated shares, or a total of \$6.1 billion.

After the Macy-Federated agreement was announced, Campeau said it would proceed with a \$66-a-share cash tender offer for Federated. But a few hours later, Campeau said in Toronto that it was now offering \$75 per share in cash for about 80 percent of Federated's shares.

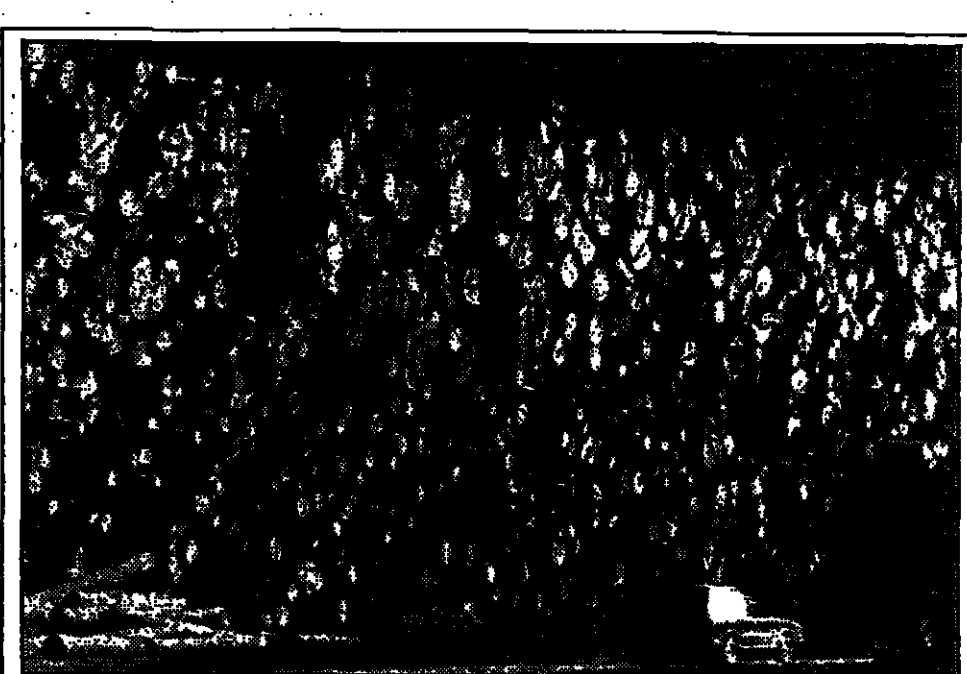
Trading in Federated stock was halted on the New York Stock Exchange before the announcement. After trading resumed, its shares declined 87.5 cents to close at \$66.875.

Some Wall Street analysts said the share price reflected uncertainty about possible government objections to the Federated-Macy deal on antitrust grounds.

The analysts said the rival bids were attractive for different reasons.

"Campeau is sitting there with cash, and Macy's walked in the door with some cash but the opportunity for the company to enjoy."

See MACY, Page 11



Stacks at a sawmill in Hayfork, another California town in which heavy logging arouses fears.

Takeover Topples Redwood Forests

Pacific's Owner Tries to Repay Debt in One Fell Swoop

By Robert Lindsey

SCOTIA, California — Thousands of redwood trees are being felled along California's wild northwestern coast in an environmental drama that demonstrates how decisions on Wall Street can affect people, communities and natural resources far away.

High emotions have been stirred by a decision of a Houston financier, Charles E. Hurwitz, to double the rate of tree-cutting in the nation's largest privately owned virgin redwood forests.

Mr. Hurwitz says the production increase is necessary to repay \$795 million that his company, Maxxam Group, borrowed in 1985 to buy Pacific Lumber Co. here.

Pacific Lumber, a venerable California logging company, was dubbed a "Paradise With a Warning List" in 1951 in a profile by the Saturday Evening Post. It had a reputation for paternalistic policies toward employees and for harvesting timber at a pace slow enough to preserve its oldest stands of redwoods well into the 21st century.

Now, many residents contend that both the region's environmental quality and its economy are in jeopardy. "To pay off this big debt, they're just chewing up the environment," said John Maurer, a former employee who

resigned to protest the new policies. "And they're taking out the cream, so there won't be anything left for the future."

Spokesmen for the company, however, say the accelerated cutting is in line with common industry practice and is not environmentally unsound. They say production can be sustained indefinitely under current plans.

The Pacific Lumber takeover is one of many financed by Drexel Burnham Lambert Inc. through the sale of the high-yield, high-risk corporate securities known as "junk bonds."

Maxxam, through its Pacific Lumber subsidiary, now owns 300 square miles (780 square kilometers) of forest in one of the most undeveloped regions in the United States, including vast

Factory Orders And Home Sales Decline in U.S.

The Reagan administration is counting on continued strength in export sales to provide almost half of the expected growth in the overall economy this year.

The January decline in manufacturing goods orders included a 1.5 percent drop in demand for durable goods, those expected to last at least three years.

The department said orders for durable and nondurable goods dropped to a seasonally adjusted total of \$212.6 billion in January after a big 2 percent increase in December, revised downward from 2.5 percent.

It was the first setback in orders since a 1.4 percent drop in August. But economists discounted much of the weakness, saying it merely reflected a return to a more normal level of demand after several large orders for jet aircraft in December.

Without the big swing in the transportation sector, which includes aircraft, orders actually would have been up 0.8 percent in January after a 0.9 percent December increase, a steady rate of advance that economists said better reflected the continued strength in U.S. manufacturing.

The 9 percent decline in home sales followed decreases of 6.8 percent in December and 3.4 percent in November. The December figure was revised from a 6.2 percent decrease.

The department said that sales of new single-family homes dropped to a seasonally adjusted annual rate of 535,000 units, the lowest level of sales activity since December 1982, when the most recent U.S. recession was ending.

The housing industry continues to be the sector of the U.S. economy hardest hit by the October collapse of stock prices. New home sales last month were 26 percent below the level of January 1987.

Consumers, apparently worried about the future after the record 508-point plunge in the Dow Jones industrial average on Oct. 19, stopped looking for new houses, analysts believe.

Despite the weakness, many economists remain hopeful that recent declines in mortgage rates will trigger a rebound in sales and construction in the months ahead.

Demand for American manufactured goods, meanwhile, has been surging for the past year as the weaker dollar has made U.S. products competitive on overseas markets.

Key Indexes Fall In Europe and North America

Reuters

NEW YORK — Leading economic indexes in Europe and North America continue to weaken, clouding the outlook for further worldwide economic expansion, the Conference Board business research group said Wednesday.

The indexes, which project future economic conditions, are falling at an annual rate of 1 percent in France and Italy, and registering no growth in West Germany and Britain.

They are advancing at an annual rate of 3 percent in the United States, down from 10 percent three months earlier, and 1 percent in Canada, down from 5 percent.

In contrast, Asia remains strong. The leading index in Japan grew at a 27 percent annual rate, although it was down from 48 percent three months earlier. In Taiwan and South Korea, the indexes grew at more than a 12 percent rate.

The report was based on data from November and, in some cases, December.

Currency Rates

Table of currency rates including Cross Rates, Other Dollar Values, and Forward Rates.

Interest Rates

Table of interest rates including Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds.

New Drop in Price Pressures OPEC

By Warren Getler

LONDON — The price of crude oil, already trading on the spot market at more than \$4 below OPEC's fixed price of \$18 per barrel, is expected to fall further in coming weeks, increasing pressure on the 13-member cartel to call an emergency meeting and cut production.

Wednesday's spot market price for April delivery of North Sea Brent, the most widely traded crude, fell to a 16-month low in London of \$13.90 a barrel, down from \$14.15 at Tuesday's close.

Brent prices have dropped by almost \$2 in the past 11 days.

"If OPEC does not change its behavior, these prices are going to drift lower," said Chris Gravel, oil analyst with the London brokerage Smith New Court PLC.

"There's too much crude around," he said. "Prices are going to continue weakish."

Petroleum Argus, a leading trade journal published in London, reported that the big storage facilities at Le Havre, France, and at Rotterdam, were nearly full. The journal said Le Havre's tanks now held 1.4 million tons of crude, up from about 600,000 tons just two weeks ago.

Free market oil prices also have been hit in recent weeks by reports of widespread price discounting by members of the Organization of Petroleum Exporting Countries.

The Japanese, who need large amounts of crude, have been reluctant to buy now with even lower spot prices in the offing. There were rumors this week, later denied, that Japan's Arabian Oil Co., of which Saudi Arabia and Kuwait each own 10 percent, had offered discounts to Japanese buyers.

The key factor depressing prices has been the oversupply that began with excessive OPEC production last summer and that was compounded by unseasonably mild weather in Europe and Japan.

"The only point in OPEC's calling a meeting would be if they really felt they had some chance of negotiating a lower production ceiling," said David Gray, chief oil

analyst with James Capel & Co., the London stockbrokerage. "The odds of that are fairly small."

A Saudi Arabian role as "swing producer" has been ruled out by its new oil minister, Hisham Nazer. "The price of \$18 has become academic," Mr. Gray said. "We've got a mild winter in Europe and Japan leading to low demand and we've got reasonably high supply from non-OPEC producers. The result of those two factors is a squeeze on what the market above all needs from OPEC. OPEC's ceiling may just be too high."

Reuters' monthly survey, published Wednesday, suggested that none of the 12 OPEC members assigned a quota had violated it this year. Iraq does not have a quota.

INTERNATIONAL POSITIONS

SENIOR MACROECONOMIST PLANNERS EDITOR for the Middle East

Work with SRI INTERNATIONAL, one of the world's leading research and consulting firms in providing planning assistance at the national level to a major Middle Eastern government.

These assignments will require residence in the Middle East for a period of 16-24 months. All positions offer competitive salaries and allowances, including paid R&F leave, and paid home leave after 12 months including round-trip airfare to U.S. or point of origin. Living accommodations and transportation will be provided.

Senior Macroeconomist: Start Date: As soon as possible. Assignment: 2 years plus possible extension.

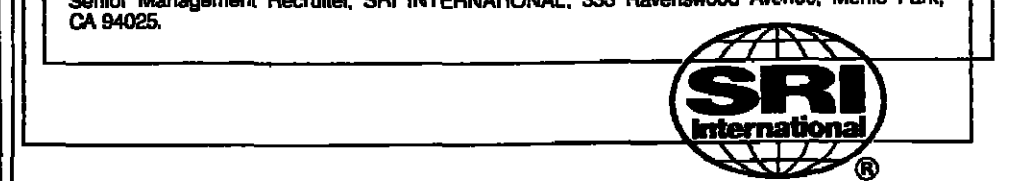
Education Planner: Start Date: April, 1988. Assignment: 20 months.

Technical & Vocational Planner: Start Date: August, 1988. Assignment: 16 months.

Private Sector Development Planner: Start Date: June, 1988. Assignment: 18 months.

Plan Editor: Start Date: December, 1988. Assignment: 15 months.

Qualified candidates should forward their resumes, including salary requirements, to Richard J. Wolpert, Senior Management Recruiter, SRI INTERNATIONAL, 333 Ravenswood Avenue, Menlo Park, CA 94025.



Shearson and Swiss Firm Join de Benedetti

Compiled by Our Staff From Dispatches

BRUSSELS — Shearson Lehman Brothers of New York and Compagnie de Banque et d'Investissements de Genève have joined forces with Carlo de Benedetti in his fight for Société Générale de Belgique SA, a spokesman for the Italian financier said Wednesday.

The two investment firms have each taken a 4 percent stake in Europe 1992, one of the companies that Mr. de Benedetti is using in his battle to gain control of Belgium's biggest company, according to Cerus, the entrepreneur's French investment arm.

Europe 1992 was created Sunday in a pact between Mr. de Benedetti and two of Belgium's most prominent businessmen, André Luyssens of Gevaert NV and Pierre Schober of Cobequa.

Cerus said that Shearson and Compagnie de Banque were each contributing about 200,000 Générale shares to Europe 1992.

That would increase the new holding company's share in Générale to 17.4 percent of Générale's

1,400 companies worldwide and in about half of Belgium's top 50 companies. In dubbing his latest acquisitive arm "Europe 1992," Mr. de Benedetti is emphasizing his goal of transforming Générale into a pan-European holding company.

The European Community has set 1992 as the deadline for dismantling all of its internal trade barriers. The plan is aimed in part at increasing the competitiveness of European industry.

Since both camps dispute the claims of their opponents, however, the takeover battle is considerably muddled.

In addition, a court ruling Tuesday that Générale could proceed with a capital increase of 12 million shares could dramatically alter the stakes of the two camps.

Europe 1992's holding, for example, would be diluted to just 12.2 percent if the ruling is upheld by a higher court.

Générale has interests in about

DEFISCALISATION SINT MAARTEN Capitalized investment VOS IMPOTS (loi du 11.07.86) PARIS 33 1 47 47 95 40 +

Wednesdays' NYSE Closing

Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52 High Low Close

Table of NYSE stock prices including columns for 12 Month High, Low, Stock, Div., Yld., PE, 52 High, Low, Close.

(Continued)

Continuation of NYSE stock price table with columns for 12 Month High, Low, Stock, Div., Yld., PE, 52 High, Low, Close.

Table of international stock prices with columns for 12 Month High, Low, Stock, Div., Yld., PE, 52 High, Low, Close.

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U.S. Futures Via The Associated Press

March 2

Table of U.S. Futures prices for Grains, including Wheat, Corn, Soybeans, and Soybean Meal.

Table of U.S. Futures prices for Lumber, including various grades of lumber.

Table of U.S. Futures prices for Cattle, including feeder cattle and cow/calf pairs.

Table of U.S. Futures prices for Pork Bellies.

Table of U.S. Futures prices for Live Hogs.

Table of U.S. Futures prices for Live Cattle.

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Table of U.S. Futures prices for Live Cattle.

Table of U.S. Futures prices for Live Hogs.

Food

March 2

Table of Food futures prices for Coffee, Cocoa, and Orange Juice.

Table of Food futures prices for Soybeans and Soybean Meal.

Table of Food futures prices for Soybean Meal.

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EURODOLLARS (MM)

March 2

Table of Eurodollars prices for various maturities.

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Swedish Money Markets Dismayed by New Tax

STOCKHOLM — Sweden announced on Wednesday details of a new tax on its booming money markets in an effort to slow their growth. The Finance Ministry said it was worried that too rapid development of the markets could, by pushing interest rates down and cutting the cost of borrowing, cause the Swedish economy to overheat.

EC Commission Softens Draft Rules on Mergers

BRUSSELS — The European Community's executive body softened its proposals Wednesday to regulate corporate mergers within the 12-nation trading bloc. The EC commissioner for competition said.

Paris Commodities

Table of Paris Commodities prices for Sugar, Cocoa, and Coffee.

London Commodities

Table of London Commodities prices for Sugar, Cocoa, and Coffee.

Spot Commodities

Table of Spot Commodities prices for Aluminum, Copper, and Silver.

France Considers Changing Rules Of Privatization

PARIS — The French government said Wednesday that it was considering changing its method of selling state-owned companies so that more stock would end up in employees' hands.

NYSE High-Lows

Table of NYSE High-Lows for various stocks.

AMEX High-Lows

Table of AMEX High-Lows for various stocks.

U.S. Treasuries

Table of U.S. Treasuries prices for various maturities.

London Metals

Table of London Metals prices for Aluminum, Copper, and Silver.

S&P 100 Index Options

Table of S&P 100 Index Options prices.

Dividends

Table of Dividends for various companies.

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U.S. Treasuries

Table of U.S. Treasuries prices for various maturities.

London Metals

Table of London Metals prices for Aluminum, Copper, and Silver.

S&P 100 Index Options

Table of S&P 100 Index Options prices.

Dividends

Table of Dividends for various companies.

IF YOU GET A KICK OUT OF SOCCER, READ ROB HUGHES WEDNESDAYS IN THE IHT

كندا من الداخل

BUSINESS ROUNDUP

Framatome Lifts Télémeccanique Bid

PARIS — The French nuclear company Framatome SA on Wednesday lifted its friendly bid for Télémeccanique Electric SA...

be 4.1 billion francs (\$721 million). Framatome, 40 percent owned by Compagnie Générale d'Electricité, had originally offered 4,300 francs per share.

CRA's Net Grew 68% in '87

MELBOURNE — CRA Ltd., a mining and smelting group, reported Wednesday that net earnings jumped by 68 percent last year to 232.11 million Australian dollars (\$166.9 million).

said selling prices in the second half were significantly higher than in the first. Iron ore and coal prices were markedly lower than in 1986, however, and revenues from those operations fell significantly, it said.

IBM Europe Sees a 10% Rise in Sales

PARIS — International Business Machines Corp. expects its European sales to rise about 10 percent this year after flat revenue in 1987, the head of its European operations said Wednesday.

francs. Analysts said the three banks hold consultations on how much profit they will declare, which explains the similarity of the results.

Swiss Bank Corp. Says Profit Fell 3% in '87

BASEL, Switzerland — Swiss Bank Corp., the second-largest Swiss bank, reported Wednesday that profit fell 3 percent last year to 652.3 million Swiss francs (\$468.4 million) from 674 million francs in 1986.

Bank announced that it had bought an additional 13 percent stake in Baloise-Holding from an unnamed foreign investor group in a friendly move to protect the insurer.

MACY: Federated Accepts Bid From N.Y. Retailer, but Campeau Persists

(Continued from first finance page) future growth — as opposed to Campeau's potential breaking up or dismantling of the company," said Thomas Tashjian, an analyst with Seidler Amdel Securities Inc. in Los Angeles.

before the agreement was signed. The tender offer is conditioned on Macy's obtaining a majority of Federated shares and completion of financing.

Soviet Intourist Will Introduce Visa Cards

MOSCOW — Intourist, the agency that coordinates travel throughout the Soviet Union, will issue credit cards this year under an agreement with Visa International.

The weekly publication Moscow News said Wednesday that "smart cards" containing computerized personal information about the bearer would be available. At first, it said, their use will be limited to a small number of Moscow department stores because of insufficient computerization.

Two months ago, check-books were made available for the first time to Soviet citizens with bank accounts. (UPI, AFP)

Consolidated Gold's Profit Soared 87% in Half Year

LONDON — Strong gold prices helped Consolidated Gold Fields PLC report an 87.4 percent leap in pretax profit to £182.7 million (\$324.7 million), in the first half of its financial year, the big mining group said Wednesday.

Consolidated said the gold price had held up well late last year in difficult circumstances. It said the price came under pressure as investors took profits in gold to cover losses in the equity markets.

price was likely to rebound further as the turbulence on stock markets since Oct. 19 subsided. The price will also respond to the fundamental problems of the U.S. the mining company predicted.

SYSTEMTRENDS LIMITED MARCH 1993 SHARES

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AMSTERDAM DEPOSITORY COMPANY N.V. The undersigned announces that the Semiannual Report for the period ended September 30, 1987 of Casio Computer Co. Ltd. will be available in Amsterdam at

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 2nd March 1988. Table listing various international funds with their respective values and performance metrics.

CURRENCY MARKETS

Rumors, Greenspan Boost Dollar

NEW YORK — The dollar rose higher Wednesday on short-covering, according to dealers, as sparked by a Japanese news report that said the United States could tolerate a stronger dollar.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Source: Reuters

Nikkei Telecom, a Japanese news service, quoted an unnamed U.S. official as saying that "at the very minimum, the upper range" of the dollar "would be consistent with the upper range in the previous Louvre agreement" by the Group of Seven major industrial democracies.

Dealers said the impact of the rumors had been vastly amplified by a very dull and bored market that is seeking direction.

In Europe, traders said that the Bank of England intervened to sell sterling against marks in the afternoon as the pound tested the upward level of 3 DM level that the central bank has been defending in recent months.

Reverse Is Seen In Pound's Rise Later This Year

LONDON — The British pound, which has been pressing against the 3 Deutsche mark level in recent days, is unlikely to break through that level and may weaken sharply later this year, according to economists surveyed here.

Belgium to Refinance Debt by \$2 Billion Euronote Issue

By Carl Gewirtz International Herald Tribune

PARIS — Belgium plans to refinance as much as \$2 billion of its foreign debt through the sale of medium-term Euronotes, its government announced Wednesday.

notes, and probably will be able to exchange them for floating rate debt at a cost of about 20 basis points below the London interbank offered rate.

Unlike the Euronotes issued by governments, the medium-term notes will not be registered. Belgium has resisted the traditional bearer form for its tax-free Euronotes to prevent domestic tax cheaters from buying its paper.

Although the medium-term notes will be denominated in U.S. dollars, Belgian officials indicated that the bulk of the proceeds will be exchanged for Deutsche marks, Swiss francs and guilders.

part of which is exchanged for DM at rates ranging between 10 to 20 basis points below the London interbank bid rate, officials said.

Merrill Lynch officials estimated that the medium-term note market, which started up in mid-1982, now has about \$2.5 billion of paper outstanding. The largest single issuer is GMAC, the financing arm of General Motors Corp., which has issued about \$1.2 billion out of a program that could amount to as much as \$3 billion.

Until now, the largest sovereign program had been Spain's \$1 billion, of which about \$400 million has been used.

Dealers for the Belgian notes, in addition to Merrill Lynch, are Credit Suisse First Boston, First Chicago, Salomon Brothers, Shearson Lehman Brothers and S.G. Warburg. The program will be formalized March 28, with the first notes expected to be issued in early April.

TRADE: Despite Falling Dollar, No Bargains on U.S. Goods in Japan

(Continued from Page 1) The strong yen. Several say there is less pressure against Japanese exporters in the United States, and a number are doing better than in Europe.

Worst off are small high-tech companies and others that have had trouble coping with the flip side of the weaker dollar: The already high cost of operating in Japan is even higher in dollar terms.

Grace and some other U.S. companies that have lowered prices substantially had no choice: Japanese customers, especially industrial concerns, insisted.

"We sell chemicals to automobile companies, and they are having a difficult time with the strong yen," said Mr. Makino of Crest Japan. "They are conducting cost-reduction programs, and we had to go along to survive."

REDWOODS: Pacific's Owner Tries to Repay Debt in One Fell Swoop

(Continued from first finance page)

timber than they grow each year. Meanwhile, the harvest program has focused new attention on the takeover of Pacific Lumber.

years, soil is drained off the land; but people are afraid to speak up how they feel. They're stuck here. They can't afford to move out."

Mr. Campbell, the Pacific Lumber executive, defends clear-cutting as a responsible, common forestry practice.

committee, Thomas J. Biley Jr. of Virginia, said that Mr. Hurwitz may have violated a 1976 federal antitrust law in the acquisition of Pacific Lumber.

They contend that Maxxam, along with an affiliated company, acquired more than \$27 million in stock in Pacific Lumber before notifying the commission that it was interested in the company as a takeover target. The 1976 law requires a company to notify the Federal Trade Commission whenever it has acquired more than \$15 million worth of another company's stock.

Many loggers worry that the trees are being cut so rapidly that the region's natural resources will be depleted to form what several call "another Appalachia."

Spokesmen for Mr. Hurwitz deny any illegality or impropriety in the acquisition or in the pension plan's termination.

They also deny that the harvesting practices are detrimental to the environment or to the future of the local economy. John A. Campbell, Pacific Lumber's vice president and operations director, said that consultants had determined that if the company maintains its current policies for 20 years, its timberlands "will still support a substantial timber inventory of old-growth redwoods and Douglas firs."

Who represents former Pacific Lumber shareholders fighting the increased harvest and the terms of the takeover? "They feel Maxxam is raping the land and dismembering the company."

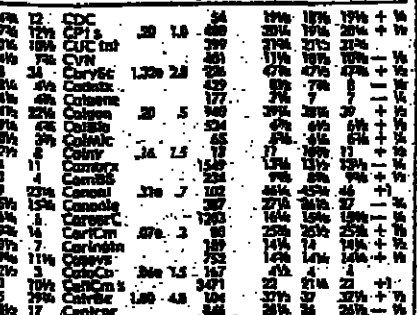
Staff members of the subcommittee said that questions had been raised about Pacific Lumber's pension plan, which had \$90 million in assets when it was terminated after the takeover. Maxxam kept more than \$50 million and used \$37 million to pay annuities for the 2,861 plan participants.

Those policies were purchased from Executive Life Insurance Co. of Los Angeles, which has provided annuities to employees at several companies acquired with financing by Drexel Burnham.

According to investigators, that insurance company was chosen for the annuities contract despite missing a bidding deadline. And four Pacific Lumber executives objected to Executive Life because a large proportion of its assets are in high-risk securities, among them a significant share of the bonds issued for Maxxam's takeover of Pacific Lumber.

Wednesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,200 most traded securities in terms of volume.

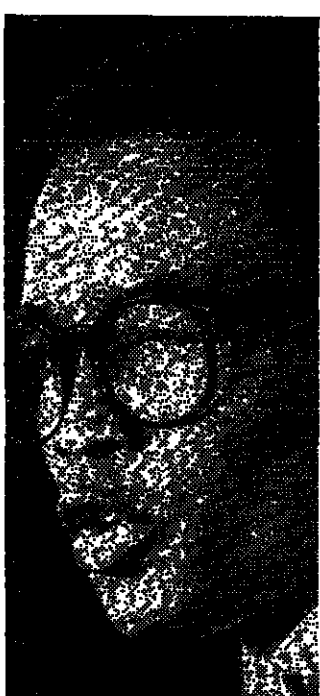
Main financial table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 4 P.M. CHG, Net. Includes sections A through W.



SPORTS

VANTAGE POINT/Shirley Povich Leonard, Lucre and Hagler II

"Marvin Hagler never gave me credit. I beat him fair and square. He made allegations that some of the officials in Nevada are corrupt. I think it's unprofessional..."



Sugar Ray Leonard. This time, he's in the driver's seat.

WASHINGTON — So Sugar Ray Leonard told a talk-show host in Chicago last week, and if his name didn't sound as if Leonard is anything retirement aged, then his language is cockeyed. Leonard is getting up again for one more of those wars that have fetched him all those precious millions.

Leonard as the challenger had to take the short end financially. That broke their long streak of naming the conditions of loot-splitting. Leonard was box office, and Trainer had always been able to call all the shots and did.

This time, it's Trainer's turn to set the terms, always aware that Hagler thirsts for the rematch and knows he must discount his take-home pay.

There is a disposition to regard Leonard's chances of hitting Hagler as far better than they were last time. Against any argument that he has been out of the ring for going on a year is the counterclaim that so far Hagler, also that Leonard is never far out of shape while Hagler's condition in idleness is unknown.

It is a reasonable belief that some of the confidence Hagler always carried into the ring, plus his assumption that all opponents are scared of him, has leaked somewhat since his last encounter with Leonard. It is also remembered that Leonard psyched him badly last time, taking the fight to Marvellous Marvin in the early rounds, thus spitting in the eye of the brawler known as the most ferocious of all champions in office.

It would also be troubling to Hagler and his ego to go back in there as the challenger, not the champ. In all of his fights, Leonard has sought to capitalize on such forces exploiting the subliminal, as Jake LaMotta would say. What Hagler learned last time was to his discomfort. What Leonard learned about Hagler goes into Leonard's computer.

When the fight comes off, as it almost surely will, Leonard will be the favorite, having proved he can deal with Hagler. The big difference will be Leonard's motivations, centered this time on big money instead of the hot urge to prove himself. It should be noted that the pursuit of more money is not always unadvised, but in prizefighting there is an extreme risk factor. A guy could get hurt, badly, leaving him to wonder how bright he was to go for more.

By Malcolm Moran New York Times Service

ORLANDO, Florida — There had never been much reason for Frank Viola and his young family to remain in Minnesota for Hagler. The Minnesota Twins did not have any obligations once the baseball season ended at the beginning of the month. That is, until last year, when Halloween week began with their deafening victory in Game 7 of the World Series under the fiberglass roof of the Metrodome.

After a family celebration, television appearances, a parade in Minneapolis and St. Paul, and a trip to Manhattan to receive an automobile as the most valuable player — after all that the adrenaline ran out.

So the Violas decided to stay for Halloween before leaving for their home not far from here. Frank 3d, at 3 the older of their two children, picked out a skeleton costume. The candy supply was in place. Then Kathy Viola made a suggestion. The Twins had given her husband 250 pictures. How about an extra treat? "She said, 'Sign these, and we'll give them out with the candy.'"

Viola remembered. "I said, 'That's a great idea.' I was even brave enough to answer the door. The kids knocked on the door and I gave them candy and a picture. Two hours went by, and my 250 pictures are gone and now I'm stuck. I figured, O.K. I'll tell the first person that comes to the door that there are no more pictures, and it'll stop. Lo and behold, two hours later, there are still a constant 20 to 40 people at the door, and I'm going, 'Ohhh, man.'"

His wife's idea would have been more easily executed in their previous life. On Halloween night, the smallest of creatures provided a reminder that Frank Viola, who grew up with a struggling Minnesota franchise, will never be quite the same in the minds of people he does not know.

Since the Series, Viola has been asked to inform children how to live their lives and avoid its dangers, and the arm that has earned 69 victories in the past four seasons — the most among active left-handers — has become a target for the elbow-rubbers.

Series Hero Viola Has Life in Perspective

approached — in the Minnesota dugout. "Can you believe that?" said Craig Fenech, Viola's agent. Within 24 hours, Viola was shouting into living rooms. "I'm going to Disney World!"

The crack-of-dawn TV interviews began the following morning and are continuing. A time of year that was once devoted to playing golf with friends now included offers to play in celebrity tournaments.

Suddenly, he was considered an example to present to children. To discuss the risks of drug use and the importance of turning away. "I understand the example I lead, but I find it so hard to talk about saying no to drugs because I've never been involved with drugs," Viola said. "I haven't been through it. That's why I

think it's important for guys who have had drug problems, who have conquered their drug problems, to talk. Those are the guys who I think kids would tend to listen to better than somebody just saying: 'I've never done it. Don't do it. It's not that tough.' Because it is tough nowadays."

Fenech began the marketing of an MVP who is polite, consistently agreeable, an important part of an underdog champion. His telephone did not create sweet music. Fenech contacted the major automobile manufacturers, without success, which the agent found "a little disappointing."

He said that the company whose car Viola drives — the one that supplied the prize for Sport magazine's most valuable player last October — did not respond.

Recognition, but still no deal. In the corporate marketplace, not all that much had changed. Viola seemed almost relieved. He had seen winners of contentment lead to disappointment in the spring. Bret Saberhagen of Kansas City, another seventh-game winner and MVP, traced his 1986 problems to the winter that followed the 1985 championship.

"We've tried deliberately to not have him appear at every rubber-chicken banquet," Fenech said. "What we didn't want is a repeat of the Saberhagen collapse."

"I can't say it's their fault, but the way they approached the off-season," Viola said, without mentioning anyone by name. "They didn't prepare for the upcoming season. They were just cherishing the moment. You can't do that. This is a brand-new season, and I want to be ready. Because now we've got something to prove to everybody. Was it a fluke, or are the Twins becoming real?"

Not so long ago, Viola anticipated the day he could leave a struggling franchise. Now he has a new two-year contract, reportedly worth \$2.9 million, and he looks toward the day when young Frank can sit in front of a TV set and watch videotapes of ear-splitting baseball games that took place before he could understand what was happening.

"I don't know if I'll point anything out. I'll just let him sit back and enjoy it. I guess I'll be a little biased in some of the things I say. I'm a Dad. I've got that right."



Frank Viola, in camp: "All I'm doing is playing a kid's game."

SCOREBOARD

Basketball

National Basketball Association Standings

Table with columns for Eastern Conference, Pacific Division, and Western Conference, listing teams and their records.

NBA Leaders

Table listing NBA leaders in various categories such as points, rebounds, and assists.

Transition

BASEBALL

National Hockey League Standings

Table with columns for Wales Conference and Campbell Conference, listing teams and their records.

NHL Leaders

Table listing NHL leaders in various categories such as goals, assists, and points.

U.S. College Results

Table listing results of college basketball games across various divisions.

Tennis

Pro Leaders

Table listing professional tennis players and their earnings.

European Soccer

CUP WINNERS' CUP

Table listing European soccer cup winners and their teams.

Ski Race Weathered Out... in Canada... Again

Following the foul-weather delays of several ski events at the recent Winter Olympics in Alberta, the World Cup season's final giant slalom was aborted by fog Tuesday at Grouse Mountain, British Columbia. The wind-lashed Olympic contests were eventually held, but Grouse had only one shot, because on Wednesday the cup circuit moved on to start training for Sunday's downhill at Whistler Mountain, B.C. The cup giant slalom will probably be staged in Austria in late March.

McGuigan, Syracuse Squeaks By Villanova

Ex-Manager Sever Ties

The Associated Press SYRACUSE, New York — Syracuse Coach Jim Boehm says his team's recent string of close games is getting to him, and point guard Sherman Douglas knows what the man's talking about. "We were tired in the first half after a tough weekend, but it's great to win a two-point game and finally pull one through," said Douglas, who had 17 points Tuesday night to help No. 12 Syracuse to a 71-69 victory over Villanova in a Big East Conference game. "We've had too many like this," said Boehm, who's seen four of his team's last six games come down to the wire, including Sunday's 62-58 loss to No. 10 Kentucky. "I'm not sure I can take many more."

U. of South Carolina Fires 2 For Laxness in Drug Testing

COLUMBIA, South Carolina — The University of South Carolina's athletic director, Bob Marcum, was fired late Tuesday after a task force found the school had not conducted random drug testing of athletes since the spring of 1986. Dr. Paul Akers, who developed the drug screening program, was also fired. The five-member task force, appointed Feb. 17 by USC President James Holderman, found at least one player who tested positive for drugs three times but was not dismissed from his team, contrary to drug-testing policies implemented three years ago. The player's identity and sport were not revealed. The group found that the testing program "as presented by the physician and athletic director does not exist... The program that does exist is inadequate." Holderman said Marcum and Akers had "misrepresented" the program to him, other school officials and the public. Since the spring of 1986, the only testing done was team testing, in which a whole team is screened and given 24 to 48 hours notice, said Dr. Alexander Donald, head of the task force and chairman of neuropsychiatry and behavioral science at the university's school of medicine. Under the program, 1,600 tests should have been done during that period. Only 400 were conducted. "No one had an adequate explanation for that," he said. The task force said Akers "acknowledged that and explained the deficits on the basis of lack of time and authoritative support" and because the program was "given a low priority by the athletic department." The committee said Marcum said he did not know random tests were not being conducted and "had relied on the physician for the operation of the program." The university's testing program came under heavy criticism after football player Ryan Bethua was arrested in early February for possession of marijuana and possession of cocaine with intent to distribute. Holderman subsequently appointed the task force to evaluate the school's drug-testing program. He said the committee presented him with its findings Friday night. The task force also found: • Positive steroid results are not systematically followed up by re-testing or referral to counseling services; and there is inadequate steroid testing other than in one sport. • Inadequate follow-up on players who do not appear for scheduled tests and failure to represent those as "positive" results, as called for in the school's testing guidelines. • Available data failed to substantiate that team testing included all team members. At a Feb. 15 news conference, Marcum and Akers had said that all USC athletes were being team-tested and also were subject to random in-season screenings. They were unavailable for comment Tuesday. (AP, UPI)

ART BUCHWALD

'Pin 'em to the Wall'

WASHINGTON — There is "tough love" and then there is "tough media."



which is it — lousy or sick? And then he replies, "Some days I feel lousy about the usual and other days I feel sick about it."

"How do you do that?" "You ask the tough questions such as, 'Senator, how you ever committed adultery?'"

"Who are your best guests?" "I like to book TV evangelicals on the show. They are really good because they come up with stuff no one else dreams of. They know about Soviet missiles in Cuba, hostages in Lebanon and Jimmy Swagart's battle with the devil in New Orleans. The audiences eat it up."

Dallas Approves Exhibit On Kennedy Shooting

DALLAS — A contract to build a \$2.3 million elevator that will allow visitors to view the perch from which President John F. Kennedy was shot in 1963 has been awarded by the Dallas County Commission.

Gabriel Axel's Feast of Film and Food

By Paul Chutkow

PARIS — The Danish film director Gabriel Axel is a man inhabited by two sharply conflicting spirits. Meet him in his modern, functional apartment in Paris and he looks a tall, reedy, austere Scandinavian, a director who values craft over passion, technique over inspiration.



Stéphane Audran (above) in 'Babette's Feast,' by Gabriel Axel.

The film is centered around a sumptuous French feast that stuns a tiny, seaside Danish village at the end of the 19th century. It is a film of layers and contrasts, setting earthly sensual pleasures against Lutheran ideas of spiritual purity.

French lottery, with a prize of 10,000 francs, and she asks the sisters to allow her to honor their father and their hospitality toward her with a real French meal. The meal Babette puts together, from provisions shipped in from France, is fit for European royalty: turtle soup, bismé Demidoff with caviar, and stuff stuffed with truffle and served in pastry shells.

U.S. Artist Says Soviet Join in Space Art Dec

A U.S. artist who lives in Switzerland says he has signed an agreement with the Soviet Union to launch what could be the first sculpture in space, a 20-foot-diameter ring with the word "peace" written on it in different languages.

Princess Diana got a Shik spore lesson from a visiting American professor while helping to open new headquarters for the American Institute for Foreign Study in London.

The Miss USA pageant in Paso, Texas, finally wound up the bizarre weeks in which two contestants quit because of police records, animal-rights activists protested the awarding of first and second prizes.

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